PUBLIC JOINT-STOCK COMPANY
“MOSCOW EXCHANGE MICEX-RTS”

2018 Annual financial statements
and independent auditor’s report

Deloitte

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Supervisory Board of Public Joint-Stock Company "Moscow Exchange MICEX-RTS"

Opinion

We have audited the accounting (financial) statements of Public Joint-Stock Company "Moscow Exchange MICEX-RTS" (the "Company"), which comprise the balance sheet of non-credit financial organization as at December 31, 2018, and the statement of financial results of non-credit financial organization, the statement of changes in own equity of non-credit financial organization and the statement of cash flows of non-credit financial organization for January-December 2018, and notes to the accounting (financial) statements, including a summary of significant accounting policies, significant estimates and judgements in applying accounting policies.

In our opinion, the accompanying accounting (financial) statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Industry Specific Accounting Standards ("ISASs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Accounting (Financial) Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (the "IESBA Code")* together with the ethical requirements that are relevant to our audit of the accounting (financial) statements in the Russian Federation, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As disclosed in note 3 to accounting (financial) statements, according to Regulation of Bank of Russia of September 2, 2015 No. 486-P "About the chart of accounts for accounting in non-credit financial organizations and the order of its application" in the edition introduced by the Instruction of Bank of Russia of 27.12.2016 N 4247-U "About modification of Regulation of Bank of Russia of September 2, 2015 No. 486-P" About the chart of accounts of accounting in non-credit financial organizations and the order of its application", since January 1, 2018 the Company applies ISASs. Comparative information of the accounting (financial) statements for 2017 have been revised to ensure comparability with the accounting (financial) statements for 2018. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the accounting (financial) statements of the current period. These matters were addressed in the context of our audit of the accounting (financial) statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
Information Technology systems and related controls We focused on this area because functioning of the financial accounting and reporting systems are reliant on integrity of complex information technology (the "IT") systems, and on the effectiveness of related control procedures. There is a risk that automated accounting procedures and IT related manual controls are not properly designed or operating ineffectively. We focused on testing of trading and clearing systems, as the most significant proportion of revenue is recognized based on automated data generated by these systems. In addition, starting January 2018, the Company discontinued use of 1C in parallel accounting, with Oracle ("OeBS") general leger becoming master general leger for the company. Lack of controls over data integrity and processing, as well as ineffective algorithms may increase risk of errors in the financial data processed in OeBS.	We assessed the effectiveness of general IT controls. We tested design and operating effectiveness of general IT and certain application controls over significant IT systems that support information capture and processing in financial accounting and reporting processes. In respect of these systems we examined key controls over access security, change management, and operation of IT systems and key application controls relied on by management to address risks of material misstatement of the Company's accounting (financial) statements. We obtained understanding of and tested for operating effectiveness key general IT controls over OeBS, including: • access management, including user rights granting and termination; • change management – testing and approvals of changes in algorithms and key reports used in preparation of the financial statements; • data transfer controls that ensure integrity and completeness of data transferred in and out of OeBS. In addition, we performed audit procedures over the opening balances in OeBS, including: • reconciliation of FY2018 opening balances in OeBS to the audited FY2017 closing balances in 1C; • review of the additional manual verification performed by the Company to ensure that critical automated algorithms in OeBS were functioning correctly. Our testing identified exceptions in respect of certain IT general controls; these exceptions have been mitigated by performing additional substantive audit procedures.
Controls over non-routine and non-core activities As disclosed in Note 59, subsequent to the reporting date, several incorrectly processed administrative payments were made from the	We examined the Company's internal investigation reports and other supporting and primary documents in order to determine whether the cases identified had any material effect to the accounting (financial) statements. Management concluded in those internal reports that both incidents were isolated and related to non-standard or

Company’s accounts that did not properly follow the Company’s internal procedures. There is a risk that should the controls over non-routine and non-core activities be less developed than in the rest of the business, there may be incorrect recording of financial information or a financial loss to the Company. As it is required by International Standards of Auditing, we planned our audit so that we had a reasonable expectation of detecting material misstatements to the accounting (financial) statements and accounting records due to fraud or error.	administrative non-core activity of the Company. We made inquiries of the responsible employees and management, performed public information search on the individuals and companies involved, analyzed remediation plans and actions undertaken thereof. We have evaluated the business rationale for any significant unusual transactions. We have tested journal entries that exhibit certain characteristics, which were identified using electronic data interrogation and manual techniques. We obtained an understanding of business processes and internal controls over the financial closing and reporting processes and performed other audit procedures we considered appropriate to the circumstances. We also assessed corporate governance procedures such as communication to the Supervisory Board, the Audit Commission, and other relevant bodies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the accounting (financial) statements and our auditor’s report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the accounting (financial) statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the accounting (financial) statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the accounting (financial) statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Accounting (Financial) Statements

Management is responsible for the preparation and fair presentation of the accounting (financial) statements in accordance with ISASs, and for such internal control as management determines is necessary to enable the preparation of the accounting (financial) statements that are free from material misstatement, whether due to fraud or error.

In preparing the accounting (financial) statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Accounting (Financial) Statements
Our objectives are to obtain reasonable assurance about whether the accounting (financial) statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounting (financial) statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the accounting (financial) statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the accounting (financial) statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the accounting (financial) statements, including the disclosures, and whether the accounting (financial) statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the accounting (financial) statements of the current period, which constitute the key audit matters included herein.

Neklyudov Sergei Vyacheslavovich

Engagement partner

19 March 2019
/signed/

Line	Item	Note	31 December 2018	31 December 2017
1	2	3	4	5
	Section I. Assets			
1	Cash funds	5	15,434,751	19,267,052
2	Financial assets at fair value through profit or loss, inclusive of:		111,292	111,292
3	financial assets mandatory classified as measured at fair value through profit or loss	6	111,292	111,292
4	financial assets classified as measured at fair value through profit or loss at the option of non-credit financial institution	7	-	-
5	Financial assets at fair value through other comprehensive income, inclusive of:		-	-
6	Debt instruments	8	-	-
7	Equity instruments	9	-	-
8	Financial assets at amortised cost, inclusive of:		433,313	393,058
9	assets in credit institutions and non-resident banks	10	20,097	32
10	loans issued and other deposited assets	11	-	-
11	accounts receivable	12	413,216	393,026
12	Investment in associates	13	-	-
13	Investment in jointly controlled entities	14	-	-
14	Investment in subsidiaries	15	28,585,814	28,637,583
15	Available-for-sale assets (assets of disposal groups)	16	-	-
16	Investment property	17	-	-
17	Intangible assets	18	1,752,500	1,363,701
18	Property and equipment	19	3,814,547	4,289,986
19	Current income tax assets	48	64,280	42,991
20	Deferred tax assets	48	-	-
21	Other assets	20	169,222	154,296
22	**Total assets**		**50,365,719**	**54,259,959**
	Section II. Liabilities			
23	Financial liabilities at fair value through profit or loss, inclusive of:		-	-
24	financial liabilities mandatory measured at fair value through profit or loss	21	-	-
25	financial liabilities classified as measured at fair value through profit or loss at the option of non-credit financial institution	22	-	-
26	Financial liabilities at amortised cost, inclusive of:		257,538	227,748
27	payables to customers	23	-	-
28	credits, loans and other borrowed funds	24	-	-
29	debt securities in issue	25	-	-
30	accounts payable	26	257,538	227,748
31	Liabilities of disposal groups classified ad available-for-sale	16	-	-
32	Liabilities related to post-employment plans not limited by fixed payments	27	-	-
33	Current income tax liabilities	48	-	-
34	Deferred tax liabilities	48	116,921	141,553
35	Reserves –provisions	28	-	-
36	Other liabilities	29	1,501,186	1,511,381
37	Total labilities		**1,875,645**	**1,880,682**
	Section III. Equity			
38	Share capital	30	2,572,616	2,572,616
39	Additional paid-in capital	30	18,359,440	18,359,440
40	Reserved capital	30	118,924	118,924
41	Treasury shares (stock)	30	-	-
42	Revaluation reserve for debt instruments measured at fair value through other comprehensive income		-	-

43	Impairment reserve for debt instruments measured at fair value through other comprehensive income		-	-
44	Impairment reserve for debt instruments measured at fair value through other comprehensive income		-	-
45	Revaluation reserve for property & equipment and intangible assets		1,476	1,479
46	Revaluation reserve for financial liabilities designated at fair value through profit or loss related to change in credit risk		-	-
47	Revaluation reserve for liabilities (assets) related to post-employment plans not limited by fixed payments	27	-	-
48	Hedging reserve for equity instruments measured at fair value through other comprehensive income		-	-
49	Cash flow hedge reserve		-	-
50	Other reserves		644,213	493,823
51	Retained earnings (accrued losses)		26,793,405	30,832,995
52	Total equity		**48,490,074**	**52,379,277**
53	Total liabilities and equity		**50,365,719**	**54,259,959**

Chairman of the Executive Board		Alexander Afanasiev
(title)	(signature)	(name)
Chief Accountant		Olga Melentieva

Statement of the Non-Credit Financial Institution			
Territory code according to OKATO (All-Russian Classifier of Administrative-Territorial Entities)	Code of the non-credit institution		
	according to OKPO (All-Russian Classifier of Businesses and Organizations)	primary state registration number	Registration number
45380000	**11538317**	**1027739387411**	

PROFIT AND LOSS STATEMENT OF THE NON-CREDIT FINANCIAL INSTITUTION

For January — December 2018

Public Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange)
(full and abbreviated corporate names)

Postal address 125009, Moscow, Bolshoy Kislovsky per, 13

Form code according to OKUD
(National Index of Administrative
Documents): 0420003
Annual (quarterly)
(thous. Rubles)

Line	Item	Note	31 December 2018	31 December 2017
1	2	3	4	5
	Section I. Profit and loss			
1	Trade and investment returns, inclusive of:		6,565,414	20,071,087
2	gains less losses (losses less gains) from transactions in financial assets mandatory classified as measured at fair value through profit or loss	32	-	-
3	gains less losses (losses less gains) from transactions in financial assets classified as measured at fair value through profit or loss at the option of non-credit financial institution	33	-	-
4	interest income	34	16,999	336,171
5	dividend and gains less losses (losses less gains) from shareholdings		6,492,534	19,806,926
6	gains less losses (losses less gains) from transactions in debt instruments measured at fair value through other comprehensive income	35	-	-
7	gains less losses (losses less gains) from transactions in equity instruments measured at fair value through other comprehensive income	36	-	-
8	gains less losses (losses less gains) resulting from derecognition of financial assets measured at amortised cost		-	-
9	gains less losses (losses less gains) related to reclassification of financial assets measured at amortised cost to financial assets measured at fair value through profit or loss		-	-
10	gains less losses (losses less gains) related to reversal (accrual) of impairment reserves for financial assets measured at amortised cost	37	(17,977)	(62,362)
11	gains less losses (losses less gains) related to reversal (accrual) of impairment reserves		-	-

Line	Item	Note	31 December 2018	31 December 2017
1	2	3	4	5
	for debt instruments measured at fair value through other comprehensive income			
12	gains less losses (losses less gains) from investment property transactions	38	-	-
13	gains less losses (losses less gains) from foreign currency transactions	39	73,858	(9,648)
14	Other investment gains less losses (losses less gains)	40	-	-
15	Revenue from services, fee & commission income	41	10,785,228	10,235,749
16	Personnel expenses	42	(3,963,856)	(3,791,588)
17	Direct operating expenses	43	(750,326)	(865,665)
18	Interest expenses	44	-	-
19	Gains less losses (losses less gains) from transactions in financial liabilities classified as measured at fair value through profit or loss at the option of non-credit financial institution	45	-	-
20	G&A expenses	46	(3,772,951)	(3,819,750)
21	Gains less losses (losses less gains) from assets revaluation and disposals (disposal groups) classified as available-for-sale	16	-	-
22	Other income	47	270,796	472,601
23	Other expenses	47	(189,679)	(121,990)
24	Profit (loss) before taxes		8,944,626	22,180,444
25	Income tax profit (expense), inclusive of:	48	(596,501)	(573,553)
26	current income tax profit (expense)	48	(621,132)	(622,392)
27	deferred income tax (expense)	48	24,631	48,839
28	Gains (losses) from discontinued operations, assets revaluation and disposals (groups of disposals), classified as available-for sale that are part of discontinued operations, after taxes	16	-	-
29	Profit (loss) after taxes		**8,348,125**	**21,606,891**
	Section II. Other comprehensive income			
30	Other comprehensive income (loss) that may not be subsequently reclassified to profit or loss, inclusive of:		-	-
31	net change in property & equipment and intangible assets revaluation, inclusive of:		-	-
32	Change in impairment reserve from property & equipment and intangible assets disposals		-	-
33	change in revaluation reserve from revaluation of property & equipment and intangible assets	19	-	-
34	income tax relating to change in property & equipment and intangible assets revaluation reserve	48	-	-
35	net change in fair value of equity instruments measured at fair value through other comprehensive income, inclusive of:		-	-
36	change in fair value of equity instruments measured at fair value through other comprehensive income		-	-
37	income tax effect from change in fair value of equity instruments measured at fair value through other comprehensive income		-	-
38	net change in revaluation of liabilities (assets) related to post-employment plans not limited by fixed payments, inclusive of:		-	-
39	change in revaluation of liabilities (assets) related to post-employment plans not limited by fixed payments		-	-
40	income tax effect from change in revaluation of liabilities (assets) related to post-employment plans not limited by fixed payments		-	-

Line	Item	Note	31 December 2018	31 December 2017
1	2	3	4	5
41	net change in fair value of financial liabilities designated at fair value through profit or loss related to credit risk change, inclusive of:		-	-
42	change in fair value of financial liabilities designated at fair value through profit or loss related to credit risk change		-	-
43	income tax effect from change in fair value of financial liabilities designated at fair value through profit or loss related to credit risk change		-	-
44	net change in value of hedge instruments for hedging equity instruments measured at fair value through other comprehensive income, inclusive of:		-	-
45	change in value of hedge instruments for hedging equity instruments measured at fair value through other comprehensive income		-	-
46	income tax effect from change in value of hedge instruments for hedging equity instruments measured at fair value through other comprehensive income		-	-
47	other comprehensive income (loss) from other transactions		-	-
48	income tax relating to other comprehensive income (loss) from other transactions		-	-
49	Other comprehensive income (loss) that may be reclassified subsequently to profit and loss, inclusive of:		-	-
50	net change in impairment reserves for debt instruments at fair value through other comprehensive income, inclusive of:		-	-
51	reversal (accrual) of reserves for impairment of debt instruments at fair value through other comprehensive income		-	-
52	effect of income tax relating to reversal (accrual) of reserves for impairment of debt instruments at fair value through other comprehensive income		-	-
53	reclassification of reserves for impairment of debt instruments at fair value through other comprehensive income		-	-
54	income tax relating to reclassification of reserves for impairment of debt instruments at fair value through other comprehensive income		-	-
55	net change in fair value of debt instruments measured at fair value through other comprehensive income, inclusive of:		-	-
56	change in fair value of debt instruments measured at fair value through other comprehensive income		-	-
57	income tax effect from change in fair value of debt instruments measured at fair value through other comprehensive income		-	-
58	reclassification to profit and loss		-	-
59	income tax relating to reclassification of gain (loss) from revaluation of debt instruments at fair value through other comprehensive income to profit or loss		-	-
60	Net income (loss) from cash flow hedge, inclusive of:		-	-
61	income (loss) from cash flow hedge		-	-
62	income tax relating to income (loss) for cash flow hedge		-	-
63	Reclassification to profit and loss		-	-
64	income tax relating to gain (loss) from cash flow hedge reclassification to profit and loss		-	-
65	other comprehensive income (loss) from other transactions		-	-

Line	Item	Note	31 December 2018	31 December 2017
1	2	3	4	5
66	income tax relating to other comprehensive income (loss) from other transactions		-	-
67	Total other comprehensive income (loss)		-	-
68	Total comprehensive income (loss)		**8,348,125**	**21,606,891**

Chairman of the Executive Board		Alexander Afanasiev
(title)	(signature)	(name)
Chief accountant		Olga Melentieva
(title)	(signature)	(name)

19 March 2019

Statement of the Non-Credit Financial Institution			
Territory code according to OKATO (All-Russian Classifier of Administrative-Territorial Entities)	Code of the non-credit financial institution		
	according to OKPO (All-Russian Classifier of Businesses and Organizations)	primary state registration number	registration number
45380000	**11538317**	**1027739387411**	

STATEMENT OF CHANGES IN EQUITY OF THE NON-CREDIT FINANCIAL INSTITUTION

For January — December 2018

Public Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange)

(full and abbreviated corporate names)

Postal address 125009, Moscow, Bolshoy Kislovsky per, 13

Form code according to OKUD (National Index of Administrative Documents): 0420004
Annual (quarterly)
(thous. Rubles)

Line number	Indicator name	Notes to lines	Authorized capital	Share premium	Reserve capital	Treasury stock	Reserve for revaluation of equity instruments measured at fair value through other comprehensive income	Reserve for revaluation of debt instruments measured at fair value through other comprehensive income	Valuation allowance for impairment of debt instruments measured at fair value through other comprehensive income	Fixed and intangible assets revaluation reserve	Reserve for revaluation of financial liabilities carried at fair value through profit or loss related to changes in credit risk	Reserve for revaluation of liabilities for post-employment benefits to employees not restricted to fixed payments	Reserve for hedging of equity instruments measured at fair value through other comprehensive income	Cash flow hedge reserve	Other reserves	Retained earnings (uncovered loss)	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Balance as of 31 December 2016		**2,574,851**	**18,594,119**	**118,924**	**(236,914)**	**-**	**-**	**-**	**1,488**	-	-	-	-	**364,875**	**32,301,651**	**53,718,994**
2	Changes due to identified errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Changes due to changes in accounting policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Revised balance as of 31 December 2016		**2,574,851**	**18,594,119**	**118,924**	**(236,914)**	-	-	-	**1,488**	-	-	-	-	**364,875**	**32,301,651**	**53,718,994**
5	Profit (loss) after tax		-	-	-	-	-	-	-	-	-	-	-	-	-	21,606,891	21,606,891
6	Other comprehensive income (loss) for the previous reporting period including:		-	-		-	-	-	-	-	-	-	-	-	-	-	-

Line number	Indicator name	Notes to lines	Authorized capital	Share premium	Reserve capital	Treasury stock	Reserve for revaluation of equity instruments measured at fair value through other comprehensive income	Reserve for revaluation of debt instruments measured at fair value through other comprehensive income	Valuation allowance for impairment of debt instruments measured at fair value through other comprehensive income	Fixed and intangible assets revaluation reserve	Reserve for revaluation of financial liabilities carried at fair value through profit or loss related to changes in credit risk	Reserve for revaluation of liabilities for post-employment benefits to employees not restricted to fixed payments	Reserve for hedging of equity instruments measured at fair value through other comprehensive income	Cash flow hedge reserve	Other reserves	Retained earnings (uncovered loss)	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
7	other comprehensive income (expense) not subject to reclassification to profit or loss in subsequent periods		-	-		-	-	-	-	-	-	-	-	-	-	-	-
8	other comprehensive income (expense) subject to reclassification to profit or loss in subsequent periods		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Additional share issue (additional contributions of company members, contributions of third parties accepted as company members)	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Repurchase from shareholders (members) (sale) of own shares (interests)	30	(2,235)	(234,679)	-	236,914	-	-	-	-	-	-	-	-	-	-	-
11	Dividends and other similar payments to shareholders (members)	49	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,151,003)	(23,151,003)
12	Other contributions of shareholders (members)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other distributions to shareholders (members)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Other changes in reserves		-	-	-	-	-	-	-	(9)	-	-	-	-	**128,948**	92,228	221,167
14.1	**Balance as of 31 December 2017**		**2,572,616**	**18,359,440**	**118,924**	-	-	-	-	**1,479**	-	-	-	-	**493,823**	**30,849,767**	**52,396,049**
15	**Balance as of 31 December 2017**		**2,572,616**	**18,359,440**	**118,924**	-	-	-	-	**1,479**	-	-	-	-	**493,823**	**30,849,767**	**52,396,049**
16	Changes due to identified errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Changes due to changes in accounting policy		-	-	-	-	-	-	-	-	-	-	-	-	-	(16,772)	(16,772)

Line number	Indicator name	Notes to lines	Authorized capital	Share premium	Reserve capital	Treasury stock	Reserve for revaluation of equity instruments measured at fair value through other comprehensive income	Reserve for revaluation of debt instruments measured at fair value through other comprehensive income	Valuation allowance for impairment of debt instruments measured at fair value through other comprehensive income	Fixed and intangible assets revaluation reserve	Reserve for revaluation of financial liabilities carried at fair value through profit or loss related to changes in credit risk	Reserve for revaluation of liabilities for post-employment benefits to employees not restricted to fixed payments	Reserve for hedging of equity instruments measured at fair value through other comprehensive income	Cash flow hedge reserve	Other reserves	Retained earnings (uncovered loss)	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
18	**Revised balance as of 31 December 2017**		**2,572,616**	**18,359,440**	**118,924**	-	-	-	-	**1,479**	-	-	-	-	**493,823**	**30,832,995**	**52,379,277**
19	Profit (loss) after tax		-	-	-	-	-	-	-	-	-	-	-	-	-	8,348,125	8,348,125
20	Other comprehensive income (loss) for the reporting period including:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	other comprehensive income (expense) not subject to reclassification to profit or loss in subsequent periods		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	other comprehensive income (expense) subject to reclassification to profit or loss in subsequent periods		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Additional share issue (additional contributions of company members, contributions of third parties accepted as company members)	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Repurchase from shareholders (members) (sale) of own shares (interests)	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Dividends and other similar payments to shareholders (members)	49	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,451,916)	(12,451,916)
26	Other contributions of shareholders (members)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Distribution to shareholders (members)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Other changes in reserves		-	-	-	-	-	-	-	(3)	-	-	-	-	**150,390**	64,201	214,588

Line number	Indicator name	Notes to lines	Authorized capital	Share premium	Reserve capital	Treasury stock	Reserve for revaluation of equity instruments measured at fair value through other comprehensive income	Reserve for revaluation of debt instruments measured at fair value through other comprehensive income	Valuation allowance for impairment of debt instruments measured at fair value through other comprehensive income	Fixed and intangible assets revaluation reserve	Reserve for revaluation of financial liabilities carried at fair value through profit or loss related to changes in credit risk	Reserve for revaluation of liabilities for post-employment benefits to employees not restricted to fixed payments	Reserve for hedging of equity instruments measured at fair value through other comprehensive income	Cash flow hedge reserve	Other reserves	Retained earnings (uncovered loss)	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
29	**Balance as of 31 December 2018, including:**		**2,572,616**	**18,359,440**	**118,924**	**-**	**-**	**-**	**-**	**1,476**	**-**	**-**	**-**	**-**	**644,213**	**26,793,405**	**48,490,074**
30	Capital pertaining to assets (disposal groups) classified as available-for-sale		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Chairman of the Executive Board		A.K. Afanasiev
(title)	(signature)	(initials, surname)
Chief Accountant		O.V. Melentieva
(title)	(signature)	(initials, surname)

19 March 2019

Statement of the Non-Credit Financial Institution			
Territory code according to OKATO (All-Russian Classifier of Administrative-Territorial Entities)	Code of the non-credit financial institution		
	according to OKPO (All-Russian Classifier of Businesses and Organizations)	primary state registration number	registration number
45380000	**11538317**	**1027739387411**	

STATEMENT OF CASH FLOWS OF THE NON-CREDIT FINANCIAL INSTITUTION

For January — December 2018

Public Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange)
(full and abbreviated corporate names)

Postal address 125009, Moscow, Bolshoy Kislovsky per, 13

Form code according to OKUD (National Index of Administrative Documents): 0420005
Annual (quarterly)
(thous. Rubles)

Line	Item	Note	For January — December 2018	For January — December 2017
1	2	3	4	5
	Section I. Cash flows from operating activities			
1	Proceeds from sale and repayment of financial assets or from placement of financial liabilities mandatorily classified as measured at fair value through profit or loss		-	-
2	Payments related to purchase of financial assets or repayment of financial liabilities mandatorily classified as measured at fair value through profit or loss		-	-
3	Cash proceeds from provision of services and commission fees received		10,748,774	10,548,869
4	Cash payments to suppliers for goods and services		(2,201,212)	(2,513,346)
5	Interest received		12,816	466,979
6	Interest paid		-	-
7	Receipt of dividends and other similar payments		6,492,534	19,806,926
8	Funds received for transfer to clients of income from securities less funds transferred to clients		-	-
8.1	Other cash proceeds and payments on behalf of clients		-	-
9	Payment of wages and other benefits to employees		(3,215,585)	(3,093,394)
10	Payment of other administrative and operating expenses		(1,324,616)	(672,261)
11	Income tax paid		(642,421)	(772,462)
12	Other cash flows from operating activities		(341,441)	(835,975)
13	**Net cash flows from operating activities**		**9,528,849**	**22,935,136**
	Section II. Cash flows from investing activities			
14	Proceeds from sale of fixed assets		3,633	28,424
15	Proceeds from sale of investment property		-	-
16	Proceeds from sale of intangible assets		-	-
17	Payments related to acquisition, creation, modernization, reconstruction and preparation of fixed assets for use		(484,457)	(351,373)

Line	Item	Note	For January — December 2018	For January — December 2017
1	2	3	4	5
18	Payments related to acquisition, creation of intangible assets		(504,050)	(398,590)
19	Payments related to acquisition, creation, modernization and preparation of investment property for use		-	-
20	Proceeds from sale of shares (interests) in subsidiaries, associated companies and jointly controlled entities		-	-
21	Payments related to investments in shares (interests) in subsidiaries, associated companies and jointly controlled entities		(8,495)	(300,034)
22	Proceeds from sale and repayment of financial assets classified as measured at fair value through profit or loss at the discretion of the non-credit financial institution		-	-
23	Payments related to purchase of financial assets classified as measured at fair value through profit or loss at the discretion of the non-credit financial institution		-	-
24	Proceeds from sale and repayment of financial assets measured at fair value through other comprehensive income		-	-
25	Payments related to acquisition of financial assets measured at fair value through other comprehensive income		-	-
26	Proceeds from sale and repayment of financial assets measured at amortised cost		-	-
27	Payments related to acquisition of financial assets measured at amortised cost		-	-
28	Income flow from leasing of investment property		-	-
29	Other proceeds from investing activities		34,457	17,000,000
30	Other payments related to investing activities		-	(1,000,000)
31	**Net cash flows from investing activities**		**(958,912)**	**14,978,427**
	Section III. Cash flows from financing activities			
32	Proceeds from placement of financial liabilities classified as measured at fair value through profit or loss at the discretion of the non-credit financial institution		-	-
33	Payments related to repayment of financial liabilities classified as measured at fair value through profit or loss at the discretion of the non-credit financial institution		-	-
34	Proceeds from attraction of credits, loans and other borrowings measured at amortised cost		-	-
35	Repayment of credits, loans and other borrowings measured at amortised cost		-	-
36	Proceeds from issue of shares, increase of interests and making of contributions by holders (members)		-	-
37	Proceeds from sale of treasury shares (interests)		-	-
38	Payments to holders (members) in connection with repurchase of own shares (interests) from them or cessation of their membership		-	-
39	Dividends paid		(12,451,916)	(23,151,003)
40	Proceeds from issue of bonds, bills of exchange and other debt securities measures at amortised cost		-	-
41	Payments related to retirement (redemption) of bills of exchange and other debt securities measures at amortised cost		-	-
42	Other proceeds from financing activities		-	-
43	Other payments related to financing activities		-	-
44	**Net cash flows from financing activities**		**(12,451,916)**	**(23,151,003)**
45	Net cash flows for the reporting period		(3,881,979)	14,762,560
46	Effect of changes in exchange rates of foreign currencies against Russian Ruble		49,678	(18,261)
47	**Cash and cash equivalents at the beginning of the reporting period**	5	**19,267,052**	**4,522,753**

Line	Item	Note	For January — December 2018	For January — December 2017
1	2	3	4	5
48	**Cash and cash equivalents at the end of the reporting period**	5	**15,434,751**	**19,267,052**

Chairman of the Executive Board		A.K. Afanasiev
(title)	(signature)	(initials, surname)
Chief Accountant		O.V. Melentieva
(title)	(signature)	(initials, surname)

19 March 2019

Note 1. Primary activity of the non-credit financial institution

Primary activity of the non-credit financial institution

Table 1.1

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
1	IAS 1	License number	077-001
2	IAS 1	License validity period	indefinite
3	IAS 1	License issue date	29 August 2013
4	IAS 1	Activities, for which the license is issued	To carry out activities on holding of organized trading
5	IAS 1	Information on license renewal	Not applicable
6	IAS 1	Legal form of the non-credit financial institution	Not applicable
7	IAS 1, IAS 24	Name of the parent undertaking and name of the ultimate owner (beneficiary)	Public Joint-Stock Company Moscow Exchange
8	IAS 1, IAS 24	Location of the parent undertaking of the group, which includes the non-credit financial institution	13, Bolshoy Kislovsky pereulok, Moscow
9	IAS 1	Number of branches of the non-credit financial institution opened in the territory of the Russian Federation	6
10	IAS 1	Number of branches of the non-credit financial institution opened in foreign countries	none
11	IAS 1	Locations of branches of the non-credit financial institution opened in foreign countries	none
12	IAS 1	Legal address of the non-credit financial institution	13, Bolshoy Kislovsky pereulok, Moscow, Russian Federation
13	IAS 1	Physical address of the non-credit financial institution	13, Bolshoy Kislovsky pereulok, Moscow, 125009
14	IAS 1	Staff number of the non-credit financial institution	Average number of employees as of 31 December 2018 amounted to 1,010 (as of 31 December 2017: 964 employees)
15	IAS 21	Reporting currency	thous. Rubles

Note 2. Economic environment, in which the non-credit financial institution operates

Economic environment, in which the non-credit financial institution operates

Table 2.1

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
1	IAS 1	Key factors and influences determining financial results. Changes of external environment, in which the non-credit financial institution operates, reaction to these changes.	The company provides to financial market participants a range of services in the area of competitive trade, settlement of transactions and information services. The company provides services on the following markets: foreign exchange market, government bond market and money market, derivatives market, stock market, corporate and regional bond market, commodity market. Operating environment — Russian markets are subject to economic, political, social, judicial, and legislative risks other than those of more developed markets. Laws and regulations governing business operations in Russia can change rapidly, not to mention the possibility of their arbitrary interpretation. Future direction of Russia’s development depends largely on the state policy, laws and regulations adopted, as well as changes in the political situation in the country. Due to the fact that Russia produces and exports large amounts of oil and gas, the Russian economy is particularly sensitive to changes in world energy prices. Sanctions imposed by the United States and the European Union starting from 2014 in regard to a number of Russian organizations, officials and businessmen made it difficult for the Russian business to access international capital markets. Management of the Exchange exercises administration having regard to all risks associated with the economic environment. In 2018 the Russian economy continued to demonstrate positive trends. Acceleration of investment and industry has largely supported the final release of products and services. According to the Ministry of Economic Development Russia’s GDP in 2018 grew by 2%, which indicates Russia’s slow recovery from the recession. Taxation — Russian legislation governing business operations continues to change actively. Interpretation of legislation by the Management as applied to activities of the Exchange may be disputed by the competent regional and federal authorities, which are currently taking a tougher stance on this matter. Previously undisputed approaches to calculation of taxes may be disputed in the course of future tax audits. Audits under certain circumstances may cover periods exceeding three years preceding the reporting period. Based on its interpretation of tax legislation the Exchange Management believes that all applicable taxes have been assessed.

Note 3. Basis of presentation

Basis of presentation

Table 3.1

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
1	IAS 1	Non-credit financial institution must clearly and expressly indicate the basis for preparation of accounting (financial) statements	This accounting (financial) statements have been prepared in accordance with industry accounting standards, specifically in accordance with the Regulation "Industry Accounting Standard "Accounting (financial) statements preparation procedure for professional securities market participants, joint stock investment funds, trade organizers, central counterparties, clearing organizations, specialized investment fund, mutual investment fund and non-state pension fund depositaries, investment fund, mutual investment fund and non-state pension fund management companies, credit reference bureaus, credit rating agencies, insurance brokers" (approved by the Bank of Russia on 03 February 2016 No. 532-P) (last updated 07 September 2017) as amended effective of 01 January 2018) on the basis of accounting rules presented in the accounting policy. From 1 January 2018 the Company switched to application of industry accounting standards. Due to application of requirements of the industry accounting standards the Company recalculated comparatives presented in the annual accounting (financial) statements of the Company for 2017.
2	IAS 1	Base(s) of assessment used in preparation of accounting (financial) statements	These accounting (financial) statements are presented in thousands of Russian rubles, unless indicated otherwise. These accounting (financial) statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. These accounting (financial) statements have been prepared on the historical cost basis except for certain financial assets and liabilities carried at fair value.
3	IAS 1	Reasons for reclassification of comparative amounts	Not applicable
4	IAS 1	Nature of reclassifications of comparative amounts (including information as of the beginning of the previous period)	Not applicable
5	IAS 1	Amount of each item (class of items) subject to reclassification	Not applicable
6	IAS 1	Significant impact of retrospective application of the accounting policy on information at the beginning of the previous reporting period, significant impact of retrospective recalculation or reclassification of balances at the beginning of the previous reporting period due to correction of errors	Not applicable

Note 4. Accounting principles, important accounting estimates and professional judgments in application of the accounting policy

Summary of accounting principles, important estimates and professional judgments in application of the accounting policy

Table 4.1

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
Section I. Impact of estimates and assumptions			
1	IAS 1	Judgments (other than those related to valuation) developed by the Management in the course of application of the accounting policy that have the greatest impact on amounts reflected in the accounting (financial) statements	Estimates and professional judgments are continually analyzed based on the Management's experience and other factors, including expectations regarding future events that according to the Management are reasonable in the light of current circumstances. The Management also uses professional judgments in the course of application of the accounting policy. Professional judgments that have the most significant impact on amounts reflected in the financial statements and estimates that may result in significant adjustments to the present value of assets and liabilities during the next financial year include: - classification of financial assets; - measurement of the valuation allowance for expected credit losses; - fair value of financial instruments.
2	IAS 1	Impact of estimates and assumptions on the recognized assets and liabilities (statement items, amounts of which are most critically affected by professional estimates and assumptions, shall be specified together with comments on how professional judgments affect valuation of these items)	Estimates and the underlying assumptions are based on the past experience and other factors that are considered relevant in specific circumstances. Actual results may differ from these estimates. Estimates and associated assumptions are revised regularly. Changes in estimates are reflected in the period, in which the estimate was revised, if the change only affects this period, or in the period, to which the change relates, and in future periods, if the change affects both current and future periods. **Useful lives of intangible assets** The company annually checks the expected useful life of intangible assets. In determining the useful life of an asset the following factors are taken into account: expected use of the asset, normal life cycle, technological obsolescence, etc. Based on the analysis of the current useful lives of intangible assets carried out as of 1 January 2018 the Company adjusted the estimates for the remaining useful lives of intangible assets. Adjustments were made for certain types of software and licenses, which had no significant impact on the accounting (financial) statements. **Share-based payments** Estimation of fair value of payments in the form of equity instruments requires selection of the most appropriate valuation model, which depends on conditions of their provision. Valuation also requires determination of the

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			most appropriate parameters for the valuation model, including the expected share option period and volatility, as well as making assumptions regarding these parameters.
3	IAS 1, IFRS 13, IFRS 9	Key approaches to financial instrument valuation	**Financial assets** At initial recognition all financial assets are measured at fair value including transaction costs. The exceptions are financial assets classified at fair value through profit or loss (hereinafter — FVTPL). Transaction costs directly attributable to acquisition of the financial asset classified at FVTPL are recognized directly in profit or loss. All recognized financial assets falling within the scope of IFRS 9 are required to be subsequently measured at amortized cost (hereinafter — AC) or fair value based on the organization's business model applied for managing financial assets and contractual characteristics of cash flows from financial assets. Specifically: • financial asset shall be measured at amortized cost, if both of the following conditions are met: (a) financial asset is held within the business model aimed at withholding financial assets in order to collect the contractual cash flows, and (b) contractual terms of the financial asset provide for receipt on the specified dates of cash flows that are solely payments of principal and interest on the principal amount outstanding (hereinafter —SPPI); • financial asset shall be measured at fair value through other comprehensive income (hereinafter — FVTOCI), if both of the following conditions are met: (a) financial asset is held within the business model, objective of which is achieved by both collecting the contractual cash flows and selling the financial assets, and (b) contractual terms of the financial asset correspond to SPPI; • all other debt instruments (e.g. debt instruments managed on a fair value basis or held for sale) and equity instruments subsequently measured at FVTPL. Business models used to manage financial assets were assessed at the date of the first application of IFRS 9 for classification of a financial asset. The business model was applied prospectively to all financial assets recognized on the Company's balance sheet at the date of the first application of IFRS 9. The Company determines the business model based on how the groups of financial instruments are managed to achieve a specific business objective. The business model used by the Company is independent of the Management's intentions regarding a certain instrument. Therefore, the

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			business model is determined at a higher level of aggregation rather than at the level of individual instruments. The Company may use several business models to manage its financial instruments, which reflects the model of management of financial assets in the Company aimed at receipt of the stipulated cash flows. The Company's business model may determine whether cash flows will result from receipt of the contractual cash flows, sale of financial assets, or both. The Company takes into account all relevant information available when assessing the business model used. However, this assessment is not based on scenarios, realization of which is not reasonably expected by the Company, such as the so-called "worst-case" or "stress-case" scenarios. The Company takes into account the following relevant factors available at the date of assessment, e.g.: • how the performance of the business model and profitability of the financial assets held within this business model are assessed and reported to the key management personnel of the Company; • risks that affect the performance of the business model (and financial assets held within this business model) and, in particular, the method of management of these risks. At initial recognition of a financial asset the Company determines the possibility of assigning the new financial asset to the existing business model or creation of a new business model, if the asset does not meet the definitions of the current models. The Company reassesses its business models every reporting period to identify changes in comparison with the previous period. In the current reporting period the Company has not revealed any changes in its business models. Detailed information on key approaches to valuation of financial assets measured at FVTPL is presented in line 11. Detailed information on key approaches to valuation of debt instruments measured at FVTOCI or amortized cost is presented in lines 12 and 13 hereof, respectively. **Reclassifications** Financial assets are reclassified as a result of a change in the business model, according to which these financial assets are managed by the Company. Requirements for classification and valuation relating to the new category are applied prospectively from the first day following the change in

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			the business model, which resulted in reclassification of the Company's financial asset. Changes in contractual cash flows are described in the section Modification and Derecognition of Financial Assets below. **Impairment** The Company recognizes the valuation allowance for expected credit losses (ECLs) for the following financial instruments that are not measured at FVTPL: • funds in financial institutions; • cash and cash equivalents; • debt investment securities; • other financial assets subject to credit risk. ECLs are required to be measured through creation of reserves in the amount of: • 12-month ECLs, i.e. a portion of the lifetime expected credit losses comprising the expected credit losses resulting from possible defaults on the financial instrument within the next 12 months after the reporting date (also referred to as Stage 1); or • lifetime ECLs, i.e. the expected credit losses resulting from all possible events of default over the expected life of the financial instrument (referred to as Stage 2 and Stage 3). Allowance for the lifetime ECLs is created for a financial instrument in the event of a significant increase in the credit risk attributable to that instrument since the initial recognition. For all other financial instruments allowances for ECLs are determined in the amount of 12-month ECLs. Further derails on determination of a significant increase in the credit risk are given below. ECLs are the probability-weighted estimate of the present value of expected credit losses. They are measured at the present value of the difference between the contractual cash flows required by the Company and the cash flows that the Company expects to receive based on weighting of multiple anticipated economic scenarios. The Company evaluates the ECLs on an individual or collective basis for portfolios of debtors that are grouped by similar parameters, amounts and risk characteristics.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			Definition of default Definition of default is critical for assessment of ECLs. Definition of default is used in estimating the size of the ECLs and deciding whether to estimate the allowance on the basis of 12-month ECLs or the lifetime ECLs, since default is a component of the probability of default (PD), which affects both the ECL assessment and identification of the fact of a significant increase in credit risk. The Company considers the following types of events to be signs of default: • the counterparty is declared insolvent (bankrupt); • a third-party has filed an insolvency (bankruptcy) petition against the counterparty and the court has ruled to accepted the petition for proceedings; • the counterparty is permanently insolvent, i.e. delayed performance of its obligations to the Company by more than 90 calendar days; or • the counterparty's license has been revoked. **Significant increase in credit risk** The Company monitors all financial assets that are subject to the impairment requirements for identification of a significant increase in credit risk since the initial recognition. If a significant increase in credit risk has occurred, the Company will estimate allowances on the basis of the lifetime ECLs. When assessing whether the credit risk on a financial instrument has increased significantly since its initial recognition the Company compares the risk of default on the financial instrument as of the reporting date based on the remaining life of the instrument with the risk of default on the financial instrument expected for the remaining life of the instrument as of the date of its initial recognition. In making this assessment the Company takes into account both quantitative and qualitative substantiated information, including historical and forecast data available without excessive costs or efforts. If payments on the asset become past due by more than 30 days and at least half of the counterparty's credit ratings assigned to it by international rating agencies are downgraded or the internal rating is downgraded by 3 or more grades since the initial recognition, the Company considers a significant increase in credit risk to have occurred and the asset goes

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			moves to Stage 2 of the impairment model, i.e. the allowance is estimated at the lifetime ECLs. **Probability of default (PD)** The probability of default is determined on the basis of multiple macroeconomic scenarios at initial recognition and in the forecast. The weighted average probability of default calculated on the basis of weighting of these different scenarios is used to identify a significant increase in credit risk. To determine PD the Company uses: • available data from international rating agencies; • internal ratings, if the above mentioned data are not available. The Company assigns an internal rating to counterparties on the basis of their credit quality using relevant quantitative and qualitative information. The historical PD is determined on the basis of the migration matrix, where internal ratings are mapped to the rating scale of international rating agencies for those counterparties that are not rated by international agencies. **Modification and derecognition of financial assets** Modification of a financial asset occurs when the contractual cash flows from a financial asset have been renegotiated by the parties between the date of initial recognition and the date of maturity of the financial asset. Modification affects amounts and time frames of the contractual cash flows either immediately upon occurrence or in the future. When a financial asset is modified the Company assesses whether such modification may result in derecognition. In accordance with the Company's accounting policy modification results in derecognition in case of a material change in the terms. To determine whether the modified terms differ materially from the original contractual terms the Company considers the following qualitative factors: (a) terms of contractual cash flows after modification no longer correspond to SPPI; (b) chance in the currency; (c) change of the counterparty; (d) extent of change in interest rates; (e) term to maturity.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			If all of the above does not clearly indicate a significant modification, then quantitative assessment is conducted to compare the present value of the remaining contractual cash flows under the original terms with the cash flows under the revised contractual terms discounting both results at the original effective interest rate. If the difference in the present value exceeds 10%, the Company considers the contract to be substantially modified, which results in derecognition. In case of derecognition of a financial asset the allowance for ECLs is recalculated at the date of derecognition to determine the net carrying amount of the asset at that date. Difference between the revised carrying amount and fair value of the new financial asset with the new terms will result in a gain/loss on derecognition. The new financial asset will be carried with a 12-month loss allowance, unless the asset is considered credit-impaired. The Company controls credit risk of the modified financial assets based on assessment of qualitative and quantitative information. If modification of the contractual terms of a financial asset does not result in derecognition, the Company determines whether the credit risk associated with the financial asset has increased significantly since the initial recognition by comparing: • remaining lifetime PD estimated at initial recognition under the original contractual terms; with • remaining lifetime PD at the reporting date based on the modified terms. If modification does not result in derecognition, the Company calculates the modification gain/loss by comparing the gross carrying amounts before and after the modification (not including allowances for ECLs). When the Company assesses ECLs for the modified asset, the expected cash flows from the modified financial asset are included in calculation of the expected cash flow shortfall from the original asset. The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire (including expiration associated with the modification due to materially changed terms) or when the financial asset and substantially all risks and benefits of owning the asset are transferred to another organization. If the Company neither transferred nor retained substantially all risks and benefits associated with ownership of the transferred asset, but retained control over the transferred asset, the Company continues to recognize the transferred asset in the amount of its continuing participation in this asset and in the

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			interrelated liability in the amount of possible payments. If the Company retains substantially all risks and benefits associated with the ownership of the transferred asset, the Company continues to recognize the financial asset. When the financial asset is derecognized in its entirety, the difference between the carrying amount of the asset and amount of the compensation received, and the accumulated gain/loss recognized in OCI and accumulated in equity is recognized in profit or loss. Accumulated gain/loss on equity instruments classified at discretion as measured at FVTOCI previously recognized in OCI is not subsequently reclassified to profit or loss. If the financial asset is derecognized partially (e.g. if the Company retains the right to repurchase a part of the transferred asset), the Company divides the previously recognized carrying amount of the financial asset between the part that continues to be recognized and the part being derecognized based on the relative fair values of these parts at the date of transfer. Difference between the carrying amount allocated to the derecognized part and amount of the compensation received in relation to the derecognized part and accumulated gain/loss in OCI shall be recognized in profit or loss. Gain/loss accumulated in OCI is divided between the part that continues to be recognized and the part being derecognized on the basis of the relative value of these parts. This provision does not apply to equity instruments classified at discretion as measured at FVTOCI, accumulated gain/loss on which previously recognized in OCI is not subsequently reclassified to profit or loss. **Write-off** Financial assets are written off when the Company has no reasonable expectations regarding recovery of the financial asset in full or in part. In this case the Company believes that the counterparty does not have assets and/or sources of income that would allow generating cash flows sufficient to repay the amounts analyzed for the write-off. Write-off means a derecognition event. Repayment of claims will be recognized as reversal of impairment. Presentation of allowances for ECLs in the statement of financial position Allowances for ECLs are presented in the statement of financial position as follows:

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			• for financial assets measured at fair value: as a deduction from the gross carrying amount of the asset; • for debt instruments measured at FVTOCI: no allowance for impairment is recognized in the statement of financial position since the carrying amount of the asset is already recorded at fair value. However, the impairment allowance is included in the investment revaluation reserve in equity. Detailed information on the key approaches to assessment of financial liabilities measured at FVTPL or financial liabilities measured at amortized cost is given in lines 16 and 17 hereof, respectively. **Derecognition of financial liabilities** The Company derecognizes financial liabilities only when they are repaid, cancelled or expired. Difference between the carrying amount of the financial liability being derecognized and compensation paid or payable is recognized in profit or loss. Exchange of debt instruments with significantly different terms between the Company and the lender is recorded as repayment of the original financial liability and recognition of a new financial liability. The Company records significant modification of the terms of the existing financial liability or its part as repayment of the original financial liability and recognition of a new financial liability. The Company proceeds from the assumption that the terms and conditions of liabilities differ significantly if the discounted present value of cash flows under the new terms, including payments of commission fees less the commission fees received, discounted at the original effective interest rate, differs by at least 10% from the discounted present value of the remaining cash flows from the original financial liability. If modification is not significant, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after the modification shall be recognized in profit or loss as income or expense from the modification as part of other income and expenses.
4	IAS 21	Revaluation of assets and liabilities denominated in foreign currency	Balances denominated in foreign currency are translated at the exchange rate of the Bank of Russia as of the reporting date; amounts of advance payments for goods, services, stock, fixed assets and intangible assets are measured at historical cost at the date of the transaction. Foreign exchange differences arising from recalculation of balances denominated in foreign currencies that differ from the exchange rates, at which they were

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			recalculated at initial recognition during the period or in the previous financial statements, are recognized in profit or loss for the period, in which they arise. Monetary assets and liabilities denominated in foreign currency are reflected in the financial statements in amounts calculated on the basis of the official ruble exchange rate effective as of: - 31 December 2018: 69.4706 rubles for 1 US dollar and 79.4605 rubles for 1 euro; - 31 December 2017: 57.6002 rubles for 1 US dollar and 68.8668 rubles for 1 euro;
5	IAS 1	Going concern	These financial statements were prepared on the assumption that the Exchange will continue as a going concern in the foreseeable future and has no intention to liquidate or substantially reduce its activities, therefore, the liabilities will be discharged in accordance with the procedure established by the legislation of the Russian Federation. These accounting (financial) statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future.
6	IAS 29	Information regarding recalculation of indicators of previous periods with account for changes in the general purchasing power of the ruble	In accordance with the requirements of IAS 29 Financial Reporting in Hyperinflationary Economies at the beginning of 2017 the Moscow Exchange recalculated non-monetary items of financial statements, including equity items.
Section II. Changes in the accounting policy			
7	IAS 8	Description of changes in the accounting policy, reasons and nature thereof (name of IFRS, in accordance with which the changes are made, and reasons why application of new IFRSs provides a more reliable and appropriate adjustment shall be disclosed and impact of the changes in the accounting policy on current and previous period adjustments shall be described)	**IFRS 9 Financial Instruments** In the current year the Company applied IFRS 9 Financial Instruments (as revised in July 2014) and amendments to other IFRSs related to this standard, which entered into force with regard to the annual period beginning on or after 1 January 2018. Transitional provisions of IFRS 9 allow the Company not to recalculate comparatives. Information for the previous periods was not recalculated, since when switching to the new standard a modified retrospective approach was applied, which allows to take into account the changes associated with application of the new accounting policy in the retained earnings at the beginning of the period. In addition, the Company adopted the amendments to IFRS 7 Financial Instruments: Disclosures related to this standard, which were applied to disclosures in relation to 2018. IFRS 9 introduced new requirements to: 1. Classification and measurement of financial assets and financial liabilities;

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			2. Impairment of financial assets; 3. General hedge accounting. **Interest income and interest expenses** Interest income and expenses for all financial instruments, except for those classified as held for trading and those measured or classified as measured at fair value through profit or loss (FVTPL) are recognized in profit or loss accounts as part of interest and other financial income and interest expense using the effective interest method. Effective interest rate is the rate of discounting of the estimated future cash flows from the financial instrument to the net carrying amount during the expected life of the financial asset or liability, or (if applicable) during a shorter period. Future cash flows are estimated with regard to all contractual terms of the instrument. All remunerations and other amounts paid or received by the parties that are an integral part of the effective interest rate and are directly related to any given loan arrangements, as well as transaction costs and all other premiums or discounts are taken into account. For financial assets at FVTPL transaction costs are recognized in profit or loss at initial recognition. Interest income and interest expenses are calculated by applying the effective interest rate to the gross carrying amount of financial assets that are not credit-impaired (i.e. the amortized cost of a financial asset before adjusting for any valuation allowance for expected credit losses) or to the amortized cost of financial liabilities. Interest income on credit-impaired financial assets is calculated by applying the effective interest rate to the amortized cost of such assets (i.e. their gross carrying amount less the valuation allowance for expected credit losses). Effective interest rate for originated or purchased credit-impaired financial assets (POCI) reflects the amount of expected credit losses in determining the expected future cash flows from the financial asset. **Service income and expenses and commission fees** Service income and commission fees include revenues that are not an integral part of the effective interest rate (see information above). Revenues from services provided during the period are recognized evenly over the contractual period and consist of commission income for operations with long-term exchange instruments, listing services, depositary services, etc.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			Service expenses and commission fees paid are recorded as the services are received. **Impact of application** Additional impairment reserve recognized as a result of the first application of IFRS 9 was recognized as a result of a change in value judgments relating to reservation of financial assets (see line 17 of the Statement of Changes in Equity of the Non-Credit Financial Institution). Change in classification of financial assets did not have a significant effect on their carrying amount at the first application. The Company did not classify equity instruments at its discretion without the right of subsequent reclassification as measured at FVTOCI. **IFRS 15 Revenue from Contracts with Customers** The new standard introduces the basic principle, according to which revenue shall be recognized upon transfer of goods or services to the customer at the transaction price. Any bundled goods or services that are separable must be recognized separately, with all discounts or contract price reductions allocated to the respective elements. When consideration is variable (for any reason), minimum consideration amounts shall be recognized in the absence of a significant risk of reversal. Costs incurred to secure contracts with customers shall be capitalized and amortized over the period of use of the benefits from the respective contract. Specifically, the standard introduces a five-step revenue recognition model: • Step 1: Identify the contract(s) with a buyer. • Step 2: Identify performance obligations under the contract. • Step 3: Determine the transaction price. • Step 4: Allocate the transaction price to each performance obligation under the contract. • Step 5: Recognize revenue when/as the organization satisfies performance obligations under the contract. In accordance with IFRS 15 the organization recognizes revenue when or as the contractor’s obligation is satisfied, i.e. when control over the goods or services that constitute the contractor’s obligation is transferred to the buyer. The standard contains more detailed requirements for accounting of different types of transactions. There is no significant impact on the Company’s statements when applying this standard.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			Amendments to IAS 40 Transfers of Investment Property Amendments clarify that transfer of real property items to or from the category of investment property requires analyzing the current compliance/non-compliance of the item with the definition of investment property, while the latter shall be supported by objective evidence of changes in the nature of use of the real property item. Amendments further clarify that evidence of the change in the nature of use of the item may include situations other than those specified in IAS 40. Furthermore, a change in the nature of use is also possible for real property items under construction (i.e. list of items, for which a change in the nature of use is possible, is not limited to completed items). There is no significant impact on the Company's statements when applying this standard. **IFRIC 22 Foreign Currency Transactions and Advance Consideration** IFRIC 22 explains how to determine the date of transaction for the purpose of determining the exchange rate to be used at initial recognition of an asset, expense or income, when consideration for such asset, expense or income has been paid or prepaid in foreign currency, which resulted in recognition of a non-monetary asset or liability (i.e. a non-refundable deposit or deferred income). The Explanation specifies that the date of transaction is the date of the initial recognition of the non-monetary asset or liability as a result of payment or receipt of the advance. If the organization makes or receives several prepayments, the date of transaction is determined separately for each payment or receipt of the advance. There is no significant impact on the Company's statements when applying this standard. There is no significant impact on the Company's statements when applying this standard. **Principles of the accounting policy, presentation and calculation methods that were used only in preparation of the Company's financial statements for the year ended 31 December 2017.** *Financial Instruments***.** Financial assets and financial liabilities are recorded in the consolidated statement of financial position of the Company when the

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			Company becomes a party to the contract in relation to the respective financial instrument. The Company reflects regular acquisitions and sales of financial assets and liabilities by the settlement date. Standard purchase or sale transactions are the purchase or sale of financial assets requiring delivery of assets within the time frames established by regulatory acts or market practice. Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities recognized at fair value through profit or loss) respectively increase or decrease the fair value of financial assets or financial liabilities at initial recognition. Transaction costs directly attributable to acquisition of financial assets or financial liabilities recognized at fair value through profit or loss are charged directly to profit or loss. *Financial assets*. Financial assets are classified into the following categories: measured at fair value through profit or loss (FVTPL); held to maturity (HTM); available for sale (AFS); and loans and receivables. Attribution of financial assets to a particular class depends on their characteristics and acquisition objectives and occurs at the time of their entry into the books. All standard transactions of purchase or sale of financial assets are recognized at the date of the transaction. Standard purchase or sale transactions are the purchase or sale of financial assets requiring delivery of assets within the time frames established by regulatory acts or market practice. <u>Effective interest method.</u> The effective interest method is used for calculation of the amortized cost of a debt liability and allocation of interest income to the respective period. The effective interest rate is the rate of discounting of the expected future cash payments (including all payments received or made under the debt instrument being an integral part of the effective interest rate, transaction costs and other premiums or discounts) for the expected time to maturity of the financial liability or (if applicable) for a shorter period to the carrying amount at the time of its entry into the books. Financial asset, which is not "held for trading" or contingent consideration that can be paid by the buyer in the course of business combination, may be designated as FVTPL at the time of its entry into the books if: • application of such classification eliminates or significantly reduces the imbalance in the valuation or accounting of assets or liabilities that might otherwise occur;

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			• financial asset is a part of a group of financial assets, financial liabilities or a group of financial assets and liabilities that is managed and valued on the basis of fair value in accordance with the documented risk management strategy or investment strategy of the Group, and information about such group of financial assets is presented within the organization on this basis; or • financial liability is a part of an instrument that contains one or more embedded derivatives, and IAS 39 Financial Instruments: *Recognition* and Measurement allows to classify the instrument as a whole (asset or liability) as at fair value with recognition of its change in the statement of profit or loss. <u>Financial assets at FVTPL.</u> Financial asset is classified as at FVTPL if it is either (i) contingent consideration that can be paid by the buyer in the course of business combination, to which IFRS 3 applies, or (ii) held for trading, or (iii) classified as at FVTPL at initial recognition. Financial asset is classified as held for trading if: • It is acquired for the primary purpose of reselling it in the immediate future; • at initial entry into the books it is a part of a portfolio of identified financial instruments that are managed by the Company as a single portfolio, for which there is a recent history of short-term purchases and resales, or • it is a derivative that is not classified or used as a hedging instrument. Financial assets at FVTPL are recognized at fair value with recording of revaluation in profit or loss. <u>Investments held to maturity.</u> Non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company intends and is able to hold to maturity are recognized as HTM financial assets. Held-to-maturity investments are measured at amortized cost using the effective interest method less allowance for impairment. If the Company sells or reclassifies held-to-maturity investments for more than insignificant amount before the maturity (except in certain circumstances), the entire category must be transferred to available-for-sale financial assets. In addition, the Company will be prohibited to classify

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			any financial assets as held to maturity during the current financial year and the next two years. <u>Available-for-sale financial assets.</u> AFS financial assets are the non-derivative financial assets that are classified as available for sale or not classified as (a) loans and receivables, (b) held-to-maturity investments, (c) financial assets carried at fair value through profit or loss. Shares and term bonds traded in the regulated markets are classified as "available for sale" and carried at fair value. The Company also has share investments[1] not traded on the regulated market, which are also classified as ASF financial assets and carried at fair value (since the Company Management believes that the fair value can be reliably estimated). Income and expenses arising from changes in fair value are recognized in other comprehensive income as part of the investment revaluation fund, except for cases of impairment of continuing nature, interest income calculated using the effective interest method, dividend income and exchange differences recognized in profit or loss. When a financial asset is retired or impaired, the accumulated income or expenses previously recognized in the investment revaluation fund are charged to the financial results in the retirement or impairment period. Fair value of AFS monetary assets in foreign currency is determined in the same currency and translated at the exchange rate at the reporting date. Exchange differences attributable to profit or loss are determined based on the amortized cost of the monetary asset. Other exchange differences are recognized in other comprehensive income. Investments in AFS equity securities, for which there are no quotations on the active market and fair value of which cannot be reliably measured, are recorded at cost less impairment losses determined at the end of each reporting period. <u>Impairment of financial assets.</u> Financial assets, except for those measured at FVTPL, are assessed for impairment at the end of each reporting period. Financial assets are considered impaired if there is objective evidence of decrease in the estimated future cash flows from the asset as a result of one or more events occurred after the entry of the financial asset into the books.

[1]Notes for users: see above.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			For AFS share investments traded and not traded on the regulated market significant or prolonged decline in fair value below their acquisition value is considered objective evidence of impairment. For all other financial assets objective evidence of impairment may be the following: • significant financial difficulties of the issuer or counterparty; • breach of contract, e.g. refusal or avoidance of paying interest or principal amount; • failure to pay or delay in paying interest and principal amount or • high probability of bankruptcy or financial reorganization of the borrower; • disappearance of the active market for this financial asset due to financial difficulties. For certain categories of financial assets, such as receivables, assets that were not recognized as impaired on a stand-alone basis, are also assessed for impairment on a portfolio basis. Objective evidence of decline in the receivables portfolio value can be the Company's past debt collection experience, increase in the number of delays in repayment of debts in the portfolio, as well as prominent changes in the national and local economies that are usually accompanied by default on payments. For financial assets carried at amortized cost amount of the impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted using the original effective interest rate on the financial asset. For financial assets carried at acquisition cost impairment loss is defined as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted using the current market interest rate for a similar financial asset. Such impairment losses are not subject to reversal in future periods. Impairment loss directly reduces the carrying amount of all financial assets, except for loans and receivables, value of which is reduced due to creation of a reserve. Loans and receivables recognized as uncollectible are also written off from the reserve. Subsequently received reimbursements of previously written off amounts are credited to the reserve account. Changes in the reserve are recognized in profit or loss.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			If the AFS financial asset is recognized as impaired, income or expenses accumulated in other comprehensive income are transferred to profit or loss. If in the subsequent period amount of loss from impairment of the financial asset carried at amortized cost decreases, and such decrease can objectively be attributed to an event that occurred after recognition of the impairment, then the previously recognized impairment loss is reversed through the profit or loss account. However, the carrying amount of financial assets at the date of reversal of the impairment loss cannot exceed the amortized cost, which would have been reflected if no impairment was recognized. Losses from impairment of AFS equity securities previously recognized in profit or loss are not reversed. Any increase in the fair value of such assets after recognition of the impairment loss is recognized directly in other comprehensive income and accumulated on the investment revaluation fund account. As for AFS debt securities impairment losses are subsequently reversed through profit or loss, if increase in the fair value of financial investments can be objectively attributed to an event that occurred after recognition of the impairment loss. <u>Derecognition of financial assets.</u> The Company derecognizes financial assets only if the contractual rights to cash flows from them are terminated or if the financial asset and the associated risks and benefits are transferred to the other party. If the Company neither transfers nor retains all principal risks and benefits associated with ownership of the asset and continues to control the transferred asset, then it continues to recognize its interest in this asset and possible associated liabilities for payment of the respective amounts. If the Company retains substantially all risks and benefits of ownership of the transferred financial asset, it continues to recognize this financial asset. When the financial asset is written off in its entirety, the difference between the carrying amount of the asset and amount of the consideration received or receivable, as well as the cumulative gain or loss recognized in other comprehensive income and accumulated in equity, are charged to profit or loss. If the financial asset is derecognized partially (e.g. when the Company retains the right to repurchase a part of the transferred asset), the Company divides the previous carrying amount of this financial asset

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			between the part that continues to be recognized to the extent of the continuing participation and the part that is no longer recognized based on the relative fair values of these parts at the date of transfer. Difference between the carrying amount allocated to the part being written off and amount of the consideration received for the written off part, as well as any accumulated gains or losses allocated to it and recognized in other comprehensive income, are charged to profit or loss. Income or expenses recognized in other comprehensive income are also allocated in proportion to the fair value of the parts being retained and written off. Financial liabilities measured at FVTPL are carried at fair value with attribution of revaluation to profit and loss account. <u>Other financial liabilities.</u> Other financial liabilities, including deposit instruments of the Central Bank of the Russian Federation, bank deposits and customer deposits, repurchase agreements, debt securities issued, other borrowed funds, subordinated debt and other financial liabilities, are initially recorded at fair value less transaction costs. Subsequently other financial liabilities are measured at amortized cost. Interest expense is calculated using the effective interest method. The effective interest method is used for calculation of the amortized cost of a financial liability and allocation of interest expenses to the respective period. The effective interest rate is the rate of discounting of the expected future cash payments (including all payments received or made under the debt instrument being an integral part of the effective interest rate, transaction costs and other premiums or discounts) for the expected time to maturity of the financial liability or (if applicable) for a shorter period to the carrying amount at the time of its entry into the books. <u>Derecognition of financial liabilities.</u> The Company derecognizes financial liabilities only when they are repaid, cancelled or expired. When the existing financial liability is replaced by another liability to the same creditor under materially different terms, or the terms of the existing liability change materially, then such replacement or change is recorded as writing off of the original liability and recognition of a new liability. Difference between the carrying amount of the financial liability being derecognized and consideration paid or payable is recognized in profit or loss.
8	IAS 8	Names of IFRSs issued but not yet effective shall be specified stating the dates, from which it is planned to apply these IFRSs, dates, from which it is required to apply these IFRSs, nature of the upcoming changes in the	At the date of approval of these financial statements of the Exchange the following new and revised IFRSs issued but not yet effective were not applied:

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
		accounting policy, discussions of the expected impact on the statements or stating that such impact cannot be reasonably evaluated	• IFRS 16 Leases; • IFRS 17 Insurance Contracts; • Amendments to IFRS 9 Special Aspects of Prepayment with Negative Compensation; • Amendments to IAS 28 Long-term Investments in Associates and Joint Ventures; • Annual Improvements to IFRS, 2015-2017 cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Activities, IAS 12 Income Taxes and IAS 23 Borrowing Costs; • Amendments to IAS 19 Revaluation Resulting from Plan Modification, Deficit Reduction or Elimination • IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets in Transactions between an Investor and its Associate or Joint Venture; • IFRIC 23 Uncertainty about Income Tax Treatment; • Amendments to IFRS 3 Definition of Business; • Amendments to IAS 1 and IAS 8 Definition of Materiality. The Management does not expect that application of the Standards listed above will have a material impact on the financial statements of the Exchange in subsequent periods, except as indicated below: **IFRS 16 Leases** ***General impact of application of IFRS 16 Leases*** IFRS 16 introduces a unified model for defining lease agreements and procedure for recognition thereof for both the lessor and the lessee. Upon coming into effect with regard to reporting periods beginning on or after 1 January 2019, IFRS 16 will supersede all current lease accounting guidelines, including IAS 17 Leases and related interpretations. The date of initial application of IFRS 16 for the Exchange is 1 January 2019. Unlike accounting on the part of the lessee, accounting on the part of the lessor in accordance with IFRS 16 remained substantially unchanged as compared to IAS 17. ***Impact of the new definition of a lease*** The Exchange plans to use the practical measure proposed as part of transition to IFRS 16, which allows not to reassess whether a contract is or contains the terms of the lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to leases entered into or modified before 1 January 2019.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the buyer controls the use of the identified asset. Control must be exercised if the buyer has: • the right to obtain substantially all economic benefits from the use of the identified asset; and • the right to directly use such asset. The Exchange will apply the definition of a lease and related guidance set forth in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (regardless of whether it is a lessor or a lessee under the lease contract). ***Impact on lease accounting on the part of the lessee*** *Operating lease* IFRS 16 will change the Exchange's accounting treatment of leases previously classified as operating lease in accordance with IAS 17 (off-balance sheet accounting). When first applying IAS 16 to all lease contracts (except as specified below) the Exchange shall: a) recognize in the balance sheet right-of-use assets and lease liabilities initially measured at the present value of the future lease payments; b) recognize in the statement of profit and loss depreciation of right-of-use and interest on lease liabilities; c) separate in the cash flow statement the total amount of cash aimed at repayment of the principal amount and interest. Lease incentives (e.g. a grace period) will be recognized as part of valuation of right-of-use assets and lease liabilities, whereas in accordance with IAS 17 they resulted in recognition of a lease liability incentive amortized as a reduction of rental expenses on a straight-line basis. Pursuant to IFRS 16 right-of-use assets will be assessed for impairment in accordance with IAS 36 Impairment of Assets. This will replace the previous requirement for recognition of the reserve for unprofitable lease contracts. For short-term lease contracts (up to 12 months) and leases of low-value assets (such as personal computers and office furniture) the Exchange intends to recognize the lease expenses on a straight-line basis as permitted by IFRS 16. As of 31 December 2018 the Exchange had contractual commitments under non-cancellable operating lease contracts to the amount of 317,520 thous.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			rubles. A preliminary analysis shows that almost all of these commitments relate to lease contracts other than short-term lease contracts and leases of low-value assets, therefore, the Exchange will recognize the right-of-use asset in the amount of 346,282 thous. rubles and the corresponding lease liability in the same amount for all of these lease contracts. Impact on profit or loss consists in reduction of the amount of rent and office maintenance expenses being a part of general and administrative expenses by 206,464 thous. rubles, increase of the amount of depreciation by 197,082 thous. rubles and interest expenses by 17,549 thous. rubles. According to IAS 17 all payments on operating leases are recorded as part of cash flows from operating activities. Changes provided for under IFRS 16 result in recognition of cash paid under operating lease contracts with the exception of short-term leases and leases of low-value assets in cash flows from financing activities. **IFRS 17 Insurance Contracts** The new standard establishes the principles for recognition, measurement, presentation and disclosure of information on insurance contracts and supersedes IFRS 4 Insurance Contracts. This standard provides for the use of a general model modified according to insurance contracts with direct participation elements described as contracts with variable insurance compensation. If certain criteria are met, the general model is simplified by estimating the liability for remaining coverage using the premium allocation method. The general model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and will explicitly measure the value of such uncertainty; the model takes into account market interest rates and the impact of options and guarantees of policyholders. The standard comes into force in respect of annual periods beginning on or after 1 January 2021 with the possibility of early application. It is applied retrospectively unless impracticable, in which cases the modified retrospective approach or fair value approach is applied. In order to meet the transition requirements the date of initial application is the beginning of the annual reporting period, in which the entity first applies this standard, and the date of transition is the beginning of the period immediately preceding the date of initial application. The Exchange Management does not expect that application of this standard will have an impact on the financial statements of the Exchange in the future, since the Exchange does not have instruments falling within the scope of application of this standard.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			Amendments to IFRS 9 Special Aspects of Prepayment with Negative Compensation The amendments to IFRS 9 clarify that in order to determine whether prepayment aspects meet the principal and interest payment criterion, the party to the contract may pay or receive reasonable compensation for the prepayment regardless of the reason for it. In other words, aspects of the prepayment with negative compensation do not automatically violate the principal and interest payment criterion. The amendments apply to annual periods beginning on or after 1 January 2019 with the possibility of early application. Depending on the date of initial application of the amendments as compared to the date of initial application of IFRS 9, special transitional provisions apply. The Exchange Management does not expect that application of these amendments in the future will have an impact on the financial statements of the Exchange. **Amendments to IAS 28 Long-term Investments in Associates and Joint Ventures** The amendments clarify that IFRS 9, including its impairment requirements, applies to long-term investments. Furthermore, when applying IFRS 9 to long-term investments the entity does not take into account adjustments to the carrying amount of long-term investments required by IAS 28 (e.g. adjustments to the carrying amount of long-term investments arising from the allocation of losses of the investee or assessment for impairment in accordance with IAS 28). The amendments are applied retrospectively and apply to annual periods beginning on or after 1 January 2019 with the possibility of early application. Depending on the date of initial application of the amendments as compared to the date of initial application of IFRS 9, special transitional provisions apply. The Exchange Management does not expect that application of these amendments in the future will have an impact on the financial statements of the Exchange. **Annual Improvements to IFRS, 2015-2017 cycle** Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Activities, IAS 12 Income Taxes and IAS 23 Borrowing Costs. Annual improvements include amendments to four standards. IAS 12 *Income Taxes*

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			The amendments clarify that the entity shall recognize tax implications with regard to dividends in profit or loss, other comprehensive income, or equity depending on where it initially recognized the transactions that generated the distributable profits. The amendments are applied regardless of income tax rates applicable to distributable and undistributable profits. IAS 23 *Borrowing Costs* The amendments to IAS 23 clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, then in calculating the capitalization rate on general-purpose borrowings such borrowing is included in the general-purpose borrowings. IFRS 3 *Business Combinations* The amendments to IFRS 3 clarify that when the organization obtains control over a business that is a joint operation, the organization applies the requirements for a stage-by-stage business combination and, among other things, revaluates its previously held interests in joint operations at fair value. Revaluation of previously held interests covers any unrecognized assets, liabilities and goodwill related to the joint operations. IFRS 11 *Joint Activities* The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, the joint operations that constitute the business gains joint control of such joint operations, it does not reassess its previously held interests in the joint operations. All amendments apply to annual periods beginning on or after 1 January 2019 and generally require prospective application. Early application is permitted. The Exchange Management does not expect that application of these amendments in the future will have an impact on the financial statements of the Exchange. **Amendments to IAS 19 Revaluation Resulting from Plan Modification, Deficit Reduction or Elimination** These amendments clarify that the cost of past services (or gains or losses arising from curtailment) is calculated by estimating the defined benefit plan liability (asset) using the updated assumptions and comparing the proposed payments and assets under the pension plan before and after the plan modification (reduction or elimination of deficit), however, without regard to the effect of the asset ceiling change (if there is a surplus in the defined benefit plan). IAS 19 now provides a clear indication that impact on the effect of the asset ceiling change resulting from the plan modification (or reduction or elimination of deficit) is determined at the second stage and recognized in other comprehensive income.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			The paragraphs relating to valuation of services of the current period and the net interest on the net liabilities (assets) under the defined benefit pension plan have also been amended. According to the amendments the organization shall use the updated assumptions to determine the current service cost and the net interest for the remaining period after the plan modification; as for the net interest the amendments clarify that for the period after the plan modification the net interest is calculated by multiplying the net liability (asset) under the defined benefit pension plan resulting from revaluation under IAS 19.99 by the discount rate used in revaluation (taking also into account the effect of contributions and payments on the net liability (asset) under the defined benefit pension plan)). The amendments are applied prospectively. The amendments apply only to the plan modification, reduction or elimination of the deficit that occurred no earlier than the beginning of the annual period, in which the amendments to IAS 19 were first applied. The amendments to IAS 19 shall apply to annual periods beginning on or after 19 January 1 with the possibility of early application. The Exchange Management does not expect that application of these amendments in the future will have an impact on the financial statements of the Exchange. **Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets in Transactions between an Investor and its Associate or Joint Venture** The amendments to IFRS 10 and IAS 28 apply to cases of sale or contribution of assets between the investor and its associate or joint venture. In particular, the amendments clarify that gains or losses resulting from the loss of control over a subsidiary, which is not a business, in a transaction with an associate or a joint venture, which are recorded using the equity method, are recognized in profit or loss of the parent company only to the extent of interests of other unrelated investors in that associate or joint venture. Similarly, gains or losses from revaluation to fair value of the remaining interest in the former subsidiary (which became an associate or a joint venture and is recorded using the equity method) are recognized in profit or loss of the former parent company only to the extent of interests of unrelated investors in the new associate or joint venture. The effective date shall be determined by the IAS Board, however early adoption is permitted. The Exchange Management expects that application of these amendments may have an impact on the financial statements of the Exchange in future periods should such transactions occur.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			The Exchange Management does not expect that application of these amendments in the future will have an impact on the financial statements of the Exchange. **IFRIC 23 Uncertainty about Income Tax Treatment** IFRIC 23 explains how to determine the accounting tax position when there is uncertainty about the rules for calculation of income tax. The explanation requires the organization to: • determine whether to assess each uncertain tax position individually or jointly with other uncertain tax positions; • assess whether there is a high probability that the tax authority will accept the uncertain tax treatment used or proposed to be used by the organization when filing the income tax return: - if there is a high probability, the organization shall determine its accounting tax position in accordance with the tax treatment used or planned to be used when filing the income tax return; - if there is no high probability, the organization shall reflect the effect of uncertainty in determining its accounting tax position. The interpretation is effective for annual periods beginning on or after 1 January 2019. Organizations may apply this interpretation retrospectively in full or use a modified retrospective approach without retrospective or prospective restatement of comparatives. The Exchange Management does not expect that application of these amendments in the future will have an impact on the financial statements of the Exchange. **Amendments to IFRS 3 Definition of Business** Pursuant to these amendments, in order to be considered a business the acquired integrated set of activities and assets must include at least a contribution and an essential process that can facilitate production of output to a considerable extent. The amendments narrow the definition of business and output by excluding from the definition “the ability to generate income by reducing the costs” and focusing on return in the form of goods and services provided to customers. The amendments also remove the necessity to assess whether market participants are capable of replacing any missing resources or processes with their own contributions and processes to continue producing output. In addition, the amendments introduce an additional test for fair value concentration, which simplifies the assessment of whether the acquired set

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			of activities and assets is a business in accordance with IFRS 3 Business Combinations. The amendments are effective in relation to business combinations, for which the acquisition date coincides with or is after the beginning of the first annual reporting period starting on or after 1 January 2020. Early application is allowed. The Exchange Management does not expect that application of these amendments will have an impact on the financial statements of the Exchange. **Amendments to IAS 1 and IAS 8 Definition of Materiality** The amendments are intended to facilitate the understanding of the concept of "materiality" without changing the basic definition. The concept of "concealing" material information by presenting it together with immaterial information was included as part of the updated definition. The threshold of "materiality" of information for users has been raised from "could affect" to "could reasonably be expected to affect". The definition of materiality presented in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors was replaced by a reference to IAS 1 Presentation of Financial Statements. The IAS Board amended other standards and the Conceptual Framework, which contain references to definition of materiality or use this term, to ensure consistency of its application. The amendments are effective in relation to annual periods beginning on or after 1 January 2020 and are applied prospectively. Early application is allowed. The Exchange Management does not expect that application of these amendments will have an impact on the financial statements of the Exchange.
Section III. Principles of accounting policy that seem relevant for understanding the accounting (financial) statements. Recognition criteria and basis for assessment of financial instruments			
9	IAS 1, IFRS 7	Recognition criteria and basis for assessment of cash and cash equivalents	Cash and cash equivalents include cash on hand, unrestricted balances on settlement and deposit accounts with banks with maturity up to one business day.
10	IAS 1, IFRS 7	Recognition criteria and basis for assessment of funds placed with credit institutions and non-resident banks	Funds placed with credit institutions and non-resident banks include funds placed by the Company with banks for a defined period. Such funds are carried at amortized cost using the effective interest method less allowance for impairment. Interest income on deposits is recorded on an accrual basis and calculated using the effective interest method.
11	IFRS 7, IFRS 9	Procedure for recognition and subsequent accounting of financial assets measured at fair value through profit or loss	**Financial assets measured at FVTPL:** • assets, contractual cash flows from which do not correspond to SPPI; or/and • assets within the business model other than obtaining contractual cash flows or other than both obtaining contractual cash flows and sales.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			The Company did not classify assets at its discretion without the right of subsequent reclassification as measured at FVTPL. Assets at FVTPL are measured at fair value with recognition in profit or loss of all gains/losses from revaluation.
12	IFRS 7, IFRS 9	Procedure for recognition and subsequent accounting of financial assets measured at fair value through other comprehensive income	**Debt instruments at FVTOCI** The Company determines classification and measurement of a financial asset based on characteristics of the contractual cash flows from the asset and the business model used by the Company to manage this asset. In order for the asset to be classified and measured at FVTOCI contractual cash flows shall be solely payments of principal and interest on the principal amount outstanding (SPPI). For the purposes of SPPI compliance testing the principal amount is understood as the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of the principal amount). Interest accrued on the principal amount outstanding consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a certain period of time, for other risks and costs under the underlying credit agreement, and the profit margin. SPPI compliance is assessed in the currency, in which the financial asset is nominated. Contractual cash flows meeting SPPI must comply with the underlying credit agreement. Contractual terms that result in exposure to risks or volatility of contractual cash flows that are not related to the underlying credit agreement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset originated or acquired can be the underlying credit agreement regardless of whether it is a loan in its legal form. When a debt instrument measured at FVTOCI is derecognized, the cumulative gain/loss previously recognized in OCI is reclassified from equity to profit or loss. Debt instruments that are subsequently measured at FVTOCI are subject to impairment requirements (for details, see line 3 hereof).
13	IFRS 9, IFRS 7	Procedure for recognition and subsequent accounting of financial assets measured at amortized cost	**Debt instruments at amortized cost** The Company determines classification and measurement of a financial asset based on characteristics of the contractual cash flows from the asset

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			and the business model used by the Company to manage this asset. In order for the asset to be classified and measured at amortized cost contractual cash flows shall be solely payments of principal and interest on the principal amount outstanding (SPPI). For the purposes of SPPI compliance testing the principal amount is understood as the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of the principal amount). Interest accrued on the principal amount outstanding consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a certain period of time, for other risks and costs under the underlying credit agreement, and the profit margin. SPPI compliance is assessed in the currency, in which the financial asset is nominated. Contractual cash flows meeting SPPI must comply with the underlying credit agreement. Contractual terms that result in exposure to risks or volatility of contractual cash flows that are not related to the underlying credit agreement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset originated or acquired can be the underlying credit agreement regardless of whether it is a loan in its legal form. Debt instruments that are subsequently measured at amortized cost are subject to impairment requirements (for details, see line 3 hereof).
14	IAS 1, IAS 27	Procedure for recognition and subsequent accounting of investments in subsidiaries, jointly controlled and associated companies	In case of control of management of a joint-stock company or influence over the company’s activities shares of such joint-stock companies are recorded on the account Participation in Subsidiaries and Associates at the acquisition cost. Equity securities are subject to impairment assessment. In the event of impairment, provisions for such securities shall be created.
15	IAS 1	Procedure for recognition and subsequent accounting of other assets	Procedure for recognition and subsequent accounting of other assets is determined by internal documents, if any.
16	IFRS 7, IFRS 9	Procedure for recognition and subsequent accounting of financial liabilities measured at fair value through profit or loss	**Financial liabilities at FVTPL** A financial liability is classified as a financial liability at FVTPL if it is (i) held for trading or (ii) defined as at FVTPL at initial recognition. Financial liability is classified as held for trading if:

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			• it is accepted mainly for the purpose of repurchasing in the immediate future; • at initial recognition it is a part of the Company's portfolio of jointly managed financial instruments, for which there is up-to-date information on short-term profit gaining; or • it is a derivative not defined as a hedging instrument in an effective hedging transaction. Financial liability that is not a held-for-trading financial liability or contingent consideration that can be paid by the buyer in the course of the business combination can be defined as at FVTPL at initial recognition, provided that: • application of such classification eliminates or significantly reduces discrepancy in the valuation or accounting that might otherwise occur; • financial liability is a part of a group of financial assets or financial liabilities or a group of financial assets and liabilities that is managed and valued on the basis of fair value in accordance with the documented risk management strategy or investment strategy of the Company, and information about such group is presented within the organization on the said basis; or • financial liability is a part of a contract that contains one or more embedded derivatives, and IFRS 9 allows to classify the instrument as a whole as at FVTPL. Financial liabilities at FVTPL are recorded at fair value, and any gains or losses from revaluation are recognized in profit or loss, provided that such gains or losses do not participate in the relationships designated as hedging relationships. More detailed information on derecognition of financial liabilities is provided in line 3 hereof.
17	IFRS 7, IFRS 9	Procedure for recognition and subsequent accounting of financial liabilities measured at amortized cost	**Financial liabilities measured at amortized cost** Other financial liabilities, including deposits and loans, are initially recognized at fair value less transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method (for more information on the effective interest method see line 7 hereof).

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			More detailed information on derecognition of financial liabilities is provided in line 3 hereof.
18	IAS 32	Procedure for offsetting financial assets and financial liabilities	Financial assets and liabilities are mutually offset and the net present value is reflected in the balance sheet only where there is a statutory right to offset the recorded amounts, as well as intention to either offset or realize the asset and settle the liability simultaneously. The right to offset shall not be subject to an event in the future and shall have legal force in all of the following circumstances: • in the ordinary course of business; • in case of default; • in case of insolvency or bankruptcy.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
Section IV. Procedure for recognition and subsequent accounting of hedging			
19	IFRS 7	Cash flow hedging (description of the type of hedging, nature of the hedged risks, financial instruments recognized as hedging instruments)	Not applicable
20	IFRS 7	Fair value hedging (description of the type of hedging, nature of the hedged risks, financial instruments recognized as hedging instruments)	Not applicable
21	IFRS 7	Hedging of net investments in foreign subdivisions (description of the type of hedging, nature of the hedged risks, financial instruments recognized as hedging instruments)	Not applicable
Section V. Recognition criteria and basis for assessment of investment property			
22	IAS 40	Investment property accounting model applied	Not applicable
23	IAS 40	Criteria used by the organization to distinguish between investment property and property items occupied by the owner, as well as the property held for sale in the ordinary course of business	Not applicable
24	IAS 40	Extent, to which the fair value of investment property (measured or disclosed in the accounting (financial) statements) is based on assessment performed by an independent appraiser with appropriate recognized professional qualification, as well as recent experience in assessing investments in real property of the same category and location as the item being assessed	Not applicable
Section VI. Recognition criteria, basis for assessment of fixed assets			
25	IAS 16	Basis used to assess fixed assets (for each class of assets)	Initial value of fixed assets is based on the amount of the actual costs of origination, construction and acquisition including the value added tax. Fixed assets are carried at acquisition cost less accumulated depreciation.
26	IAS 16	Depreciation method applied (for each class of assets)	Depreciation is accrued on a straight-line basis from the date of operating readiness. When calculating the depreciable value of the item the estimated residual value is not used, since the Moscow Exchange has no intention to sell items of fixed assets after termination of the useful life, residual value of items of fixed assets is recognized to be equal to zero. Depreciation is accrued and recognized on a monthly basis on or before the last day of the month.
27	IAS 16	Useful lives applied (for each class of assets)	Fixed asset groups: Buildings 30-100 years Machinery and equipment 3-10 years Safes, fireproof cabinets 20-25 years Means of communication 10-20 years Other 2 to 10 years

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
Section VII. Recognition criteria, basis for assessment of intangible assets			
28	IAS 38	Definition and composition of intangible assets	Intangible assets are entered into the books accepted at the actual (initial) cost determined at the date of their entry into the books: - purchased for a valuable consideration — by amount of the actual costs of acquisition and additional costs of bringing them to a condition suitable for use for the planned purposes, including the value added tax; - created by the Exchange itself — by amount of the actual Intangible assets of the Exchange have a fixed useful life. Intangible assets of the Exchange consist of: - software - licenses - trademarks - exclusive right to use the computer program
29	IAS 1	Basis for assessment for each class of assets (acquisition cost less depreciation or revaluation cost less depreciation)	Intangible assets with a limited useful life are recognized at the acquisition cost less accumulated depreciation and accumulated impairment loss.
30	IAS 38	Disclosure for each class of assets with indefinite useful life of the fact of annual impairment testing, information on the presence of possible impairment indicators	Not applicable
31	IAS 38	Applied time frames and depreciation methods for intangible assets with a limited useful life	Groups of intangible assets and useful lives (years): Software — group 3 (5-8 years); Trademarks — group 8 (10 years); Exclusive right of the author or other right holder to use the computer program — group 5 (7 years). The Company adjusted its estimates regarding the remaining useful lives of intangible assets. Adjustments were made for certain types of software and licenses, which had no significant impact on the accounting (financial) statements. Depreciation on intangible assets is accrued on a straight-line basis.
32	IAS 1	Accounting treatment of expenditures for creation of intangible assets in-house	List of expenditures recognized at the development stage included in the initial cost of IA: • labour remuneration expenses based on the time sheet, staff schedule and terms of the employment contract, including contributions to the funds; • payment under the paid service contract to individual contractors engaged; • depreciation of the used software and fixed assets; • services of corporate contractors.

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
Section VIII. Procedure for recognition and subsequent accounting of employee benefits and related contributions			
33	IAS 1, IAS 19	Procedure for recognition of payroll related expenses, including compensation and incentive payments, leave payments, temporary disability benefits and child care allowances, year-end bonuses, severance benefits	Labour remuneration expenses of the Exchange are recognized as expenses on a monthly basis by reference to the amounts of accrued labour costs based on the time sheet. Liabilities for payment of the annual paid leave are estimated as the amount of expected costs, which is supposed to be paid to the employee for unused paid leave at the end of the annual reporting period. These liabilities are recognized on a monthly basis by reference to the average wages of each employee at the accrual date, adjustment of the recognized liabilities is made upon payment of the annual leave. Liabilities for payment of temporary disability benefits arise on actual basis. Payment of these liabilities is performed subject to documentary evidence in accordance with the applicable legislation of the Russian Federation and internal documents. Individual Employees of the Company are granted the right to purchase equity instruments under the terms specified in individual contracts. Expenses on equity-based transactions are recognized in equity simultaneously with the corresponding increase in the equity-based payment reserve in the period, in which performance conditions and/or length of service conditions are met. Liability accrued with regard to transactions in equity-based employee benefits settled in cash is recognized by the Company at fair value. Unless and until the liability is settled, the Company revaluates the fair value of the liability at the end of each reporting period, as well as at the date of settlements of the liability by recognizing changes in the fair value of the liability in profit or loss for the period. As for transactions in equity-based employee benefits settled in equity instruments, the fair value of the liability is recorded at the date of announcement and is not restated thereafter. Number of benefits to be transferred is restated at each reporting date.
34	IAS 19	Description of defined benefit pension plans implemented by the non-credit financial institution	Not applicable
35	IAS 19	Use of the discounted value method to determine the size of the pension obligation and the corresponding value of the employees’ contribution with respect to the current period	Not applicable
36	IAS 19	Procedure for recognition of post-employment benefits to employees not restricted to fixed payments	Not applicable
Section IX. Recognition criteria, basis for assessment and accounting treatment of other assets and liabilities			
37	IAS 1, IFRS 5	Procedure for recognition and subsequent accounting of held-for-sale long-term assets	Not applicable

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
38	IAS 1, IAS 37	Procedure for recognition and subsequent accounting of reserves — estimated liabilities	Reserves are recognized if the Exchange due to a certain event in the past has legal or voluntarily assumed obligations, settlement of which will most likely require outflow of resources comprising future economic benefits and which can be estimated with reasonable reliability.
39	IAS 17, IFRS 9	Procedure for recognition, subsequent accounting, derecognition of financial lease obligations	Not applicable
40	IFRS 9	Procedure for recognition, subsequent accounting, derecognition of accounts payable	The Exchange derecognizes financial liabilities only when they are repaid, cancelled or expired. When the existing financial liability is replaced by another liability to the same creditor under materially different terms, or the terms of the existing liability change materially, then such replacement or change is recorded as writing off of the original liability and recognition of a new liability. Difference between the carrying amount of the financial liability being derecognized and consideration paid or payable is recognized in profit or loss.
41	IAS 1	Procedure for recognition and assessment of the share capital, share premium	Share capital is recognized at par value of shares. As of 31 December 2018 and 31 December 2017 the authorized, issued and fully paid share capital of the Exchange consisted of 2,276,401,458 ordinary shares with par value of 1 ruble each.
42	IAS 32, IFRS 7	Procedure for recognition and assessment of own repurchased shares (interests)	Own repurchased shares are recognized in equity at cost of their repurchase from shareholders. Upon cancellation of the own repurchased shares the par value is offset against the share capital and difference between the par value and the repurchase value is used for reduction/increase of additional capital.
43	IAS 32, IFRS 7	Procedure for recognition and assessment of the reserve capital	Reserve capital is formed in accordance with the legislation of the Russian Federation and the Articles of Association of the Exchange. Reserve fund is created in the amount of five (5) percent of the share capital and formed by means of mandatory annual allocations until it reaches the amount established by the Articles of Association. The size of annual allocations is determined by the General Meeting of Shareholders of the Exchange.
44	IAS 12	Procedure for recognition, assessment, subsequent accounting, derecognition of a deferred tax asset and a deferred tax liability	Deferred tax liabilities are recognized in the accounting records upon accrual of taxable temporary differences at the end of the reporting period. Deferred tax assets arising from losses carried forward not used to reduce the income tax are recognized in the accounting records, if the Exchange expects to receive taxable profit in future reporting periods. Depending on the nature of a transaction and procedure for recognition of changes in balances on active (passive) balance sheet accounts the deferred tax asset on deductible temporary differences is recorded in correspondence with financial performance accounts or with share premium accounts. Deferred tax assets in respect of losses carried forward not used to reduce the income tax are derecognized in case of utilization in full, non-compliance with conditions of recognition and upon expiration of the period for carrying

Line number	IFRS Standard	Disclosure requirements	Description
1	2	3	4
			such losses forward established by the taxes and fees legislation of the Russian Federation, which is reflected in the accounting records at the end of each reporting period.
45	IAS 10, IAS 32	Procedure for recognition of dividends	Dividends are recognized in equity and deducted in the period, in which they were declared. Information on dividends declared after the reporting date, but before the financial statements have been approved for issue, is set forth in the note "Events after the reporting date"

Note 5. Cash funds

Cash funds

Table 5.1

Line	Item	31.12.2018			31.12.2017		
		Gross book value	Impairment reserve	Book value	Gross book value	Impairment reserve	Book value
1	2	3	4	5	6	7	8
3	Cash funds available on settlement accounts	15,434,763	(12)	15,434,751	19,267,054	(2)	19,267,052
6	Total	15,434,763	(12)	15,434,751	19,267,054	(2)	19,267,052

5.1.1. As of 31.12. 2018, the non-credit financial institution accrued balances in one credit institution (in one credit institution at 31.12.2017) with total amount exceeding RUB 4,849,007 thousand (10% of equity). The total amount of this balance was RUB 13,894,108 thousand (18,348,847 thousand as of 31.12.2107), i.e 90% of total cash funds (95% as of 31.12.2017).

Cash and cash equivalent components

Table 5.2

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	Cash funds	15,434,751	19,267,052
5	Total	15,434,751	19,267,052

Investment and financial transactions executed without use of cash and cash equivalents, and not in the cash flow statement

Table 5.3

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	Non-cash investing activity, inclusive of:	110	-
3	receipts from sales and retirement of assets	110	-

5.3.1.

Reconciliation of changes in gross book value of cash funds

Table 5.4

Line	Item	Cash funds available on settlement accounts	Cash funds held in trust	Other cash funds	Total
1	2	3	4	5	6
1	Gross book value, beginning of period, inclusive of:	19,267,054	-	-	19,267,054
3	financial assets with expected credit loss during the entire life cycle (collective measurement)	19,267,054	-	-	19,267,054
6	Input of financial assets, inclusive of:	372,733,437	-	-	372,733,437
8	financial assets with expected credit loss during the entire life cycle (collective measurement)	372,733,437	-	-	372,733,437
11	Derecognition of financial assets, inclusive of:	(376,565,728)	-	-	(376,565,728)
13	financial assets with expected credit loss during the entire life cycle (collective measurement)	(376,565,728)	-	-	(376,565,728)
36	Gross book value, end of period, inclusive of:	15,434,763	-	-	15,434,763
37	Financial assets with expected credit loss during 12 months	15,434,763	-	-	15,434,763

Reconciliation of changes in reserve for cash fund impairment

Table 5.5

Line	Item	Cash funds availabe on settlement accounts	Cash funds held in trust	Other cash funds	Total
1	2	3	4	5	6
1	Impairment reserve as of beginning of period, inclusive of:	2	-	-	2
2	Financial assets with credit loss expected during 12 months	2	-	-	2
6	Financial asset additions, inclusive of:	11	-	-	11
7	Financial assets with credit loss expected during 12 months	11	-	-	11
11	Derecognition of financial assets, inclusive of:	(1)			(1)
12	Financial assets with credit loss expected during 12 months	(1)			(1)
36	Impairment reserve as of end of period, inclusive of:	12	-	-	12
37	Financial assets with expected credit loss during 12 months	12	-	-	12

Note 6. Financial assets mandatory classified as measured at fair value through profit or loss

Financial assets mandatory classified as measured at fair value through profit or loss

Table 6.1

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	Securities held for trading	111,292	111,292
6	Total	111,292	111,292

Securities held for trading

Table 6.2

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	Equity securities held for trading, inclusive of:	111,292	111,292
2	credit institutions and non-resident banks	180	180
4	non-financial institutions	111,112	111,112
12	**Total**	**111,292**	**111,292**

The lineup of equity securities held for trading designates securities that are not held for trading purposes but those the Company has elected to designate at fair value through profit or loss in accordance with adopted accounting policy.

Note 10. Financial assets measured at amortised cost: due from credit institutions and non-resident banks

Due from credit institutions and non-resident banks

Table 10.1

Line	Item	31.12.2018			31.12.2017		
		Gross book value	Impairment reserve	Book value	Gross book value	Impairment reserve	Book value
1	2	3	4	5	6	7	8
9	Due from clearing organisations and intended for collective clearing collateral (guarantee fund)	20,000	-	20,000	-	-	-
12	Other	97	-	97	32	-	32
13	**Total**	**20,097**	**-**	**20,097**	**32**	**-**	**32**

10.1.2. As of 31.12.2018, amounts due from credit institutions and non-resident banks, with the limited use, equal RUB 20,000 thousand (0 thousand roubles as of 31.12. 2017).

10.1.5. Information of estimated fair value of assets due from credit institutions and non-resident banks is disclosed in Note 56 thereof.

Note 11. Financial assets measured at amortised cost: loans issued and other deposited funds

Loans issued and other deposited funds

Table 11.1

Line	Item	31.12.2018			31.12.2017		
		Gross book value	Impairment reserve	Book value	Gross book value	Impairment reserve	Book value
1	2	3	4	5	6	7	8
6	Other loans issued and other deposited funds measured at amortised cost	40,563	(40,563)	-	(49,993)	(49,993)	-
8	**Total**	**40,563**	**(40,563)**	**-**	**(49,993)**	**(49,993)**	-

Note 12. Financial assets measured at amortised cost: accounts receivable

Accounts receivable

Table 12.1

Line	Item	31.12.2018			31.12.2017		
		Gross book value	Impairment reserve	Book value	Gross book value	Impairment reserve	Book value
1	2	3	4	5	6	7	8
2	Accounts due from customers	285,786	(54,478)	231,308	231,697	(32,494)	199,203
4	Settlements under foreign currency, derivatives, and securities transaction	4,083	-	4,083	-	-	-
6	Other accounts receivable	177,825	-	177,825	193,823	-	193,823
7	**Total**	**467,694**	**(54,478)**	**413,216**	**425,520**	**(32,494)**	**393,026**

12.1.1. Accounts due from customers represent accounts due from customers for trading services in amount of RUB 285,786 thousand (RUB 231,697 thousand as of 31.12.2017).

Reconciliation of changes in gross book value of accounts receivable

Table 12.2

Line	Item	Accounts due from customers	Settlements with currency and stock exchanges	Settlements under foreign currency, derivatives, and securities transactions	Settlements under financial leases	Other accounts receivable	Total
1	2	3	4	5	6	7	8
1	Gross book value, beginning of period, inclusive of:	231,697	-	-	-	193,823	425,520
2	Financial assets with credit loss expected over 12 months	231,697	-	-	-	193,823	425,520
6	Financial assets additions, inclusive of:	11,234,160	-	4,083	-	997,370	12,235,613
7	Financial assets with credit loss expected over 12 months	11,234,160	-	4,083	-	997,370	12,235,613
11	Derecognition of financial assets, inclusive of:	(11,180,071)	-	-	-	(1,013,368)	(12,193,439)
12	Financial assets with credit loss expected over 12 months	(11,180,071)	-	-	-	(1,013,368)	(12,193,439)
36	Gross book value as of reporting date, inclusive of:	285,786	-	4,083	-	177,825	467,694
37	Financial assets with credit loss expected over 12 months	285,786	-	4,083	-	177,825	467,694

Reconciliation of changes in reserve for accounts receivable impairment

Table 12.3

Line	Item	Accounts due from customers	Settlements with currency and stock exchanges	Settlements under foreign currency, derivatives, and securities transactions	Settlements under financial leases	Other accounts receivable	Total
1	2	3	4	5	6	7	8
1	Impairment reserve at the beginning of the reporting period, inclusive of:	32,494	-	-	-	-	32,494
2	Financial assets with expected credit loss during 12 months	32,494	-	-	-	-	32,494
6	Financial assets additions, inclusive of:	48,658	-	-	-	-	48,658
7	Financial assets with credit loss expected over 12 months	48,658	-	-	-	-	48,658
16	Financial assets written off, inclusive of:	(26,674)	-	-	-	-	(26,674)
20	Credit-impaired financial assets	(26,674)	-	-	-	-	(26,674)
36	Impairment reserve at the end of the reporting period, inclusive of:	54,478	-	-	-	-	54,478
37	Financial assets with credit loss expected over 12 months	54,478	-	-	-	-	54,478

Note 15. Investments in subsidiaries

Investments in subsidiaries

Table 15.1

Line	Item	31.12.2018				31.12.2017				Country of incorporation
		Gross book value	Impairment reserve	Book value	Interest, %	Gross book value	Impairment reserve	Book value	Interest, %	
1	2	3	4	5	6	7	8	9	10	11
1	NCC	15,750,844	-	15,750,844	100	15,750,844	-	15,750,844	100	643
2	NSD	9,324,197	-	9,324,197	99.997	9,324,162	-	9,324,162	99.997	643
3	MICEX – Finance	3,181,385	-	3,181,385	100	3,181,385	-	3,181,385	100	643
4	MOEX Innovations	300,000	(56,804)	243,196	100	300,000	-	300,000	100	643
5	ETS Commodity Exchange	40,089	-	40,089	60.82	40,089	-	40,089	60.82	398
6	NAMEX	39,654	-	39,654	55.56	39,654	-	39,654	55.56	643
7	MOEX Information Security LLC	5,000	-	5,000	100		-		100	643
8	ETS Clearing House	1,445	-	1,445	25.1	1,445	-	1,445	25.1	398
9	MOSCOW EXCHANGE INTERNATIONAL LTD	4	-	4	100	4	-	4	100	826
10	**Total**	**28,642,618**	**(56,804)**	**28,585,814**		**28,637,583**	**-**	**28,637,583**		

Changes in impairment reserve for investment in subsidiaries

Table 15.2

Line	Item	Investment in subsidiaries
1	2	3
1	Impairment reserve, 31 December 2017	-
2	Payments to impairment reserve accrual (reversal)	56,804
3	Accounts written off as bed debt	-
4	Other movements	-
5	Impairment reserve, 31 December 2018	56,804

Note 18. Intangible assets

Intangible assets

Table 18.1

Line	Item	Other	Licenses and franchise	Other	Total
1	2	3	4	5	6
1	Cost (or measurement), 31 December 2016	1,220,628	400	308,571	1,529,599
2	Accumulated amortisation	(504,566)	(238)	(23,997)	(528,801)
3	Book value, 31 December 2016	716,062	162	284,574	1,000,798
4	Additions	546,877	-	119,947	666,824
7	Disposals	(671)	-	(12,610)	(13,281)
8	Charge	(280,819)	(136)	(9,686)	(290,641)
13	Book value, 31 December 2017	981,450	26	382,225	1,363,701
14	Cost (or measurement), 31 December 2017	1,766,835	400	415,908	2,183,143
15	Accumulated amortisation	(785,385)	(374)	(33,683)	(819,442)
16	Book value, 31 December 2017	981,450	26	382,225	1,363,701
17	Additions	500,380	-	160,443	660,823
20	Disposals	(84,816)	-	-	(84,816)
21	Amortisation charge	(151,485)	(26)	(35,698)	(187,209)
26	Book value, 31 December 2018	1,245,529	-	506,970	1,752,499
27	Cost (or measurement), 31 December 2018	2,182,399	400	576,351	2,759,150
28	Accumulated amortisation	(936,869)	(400)	(69,380)	(1,006,649)
29	Book value, 31 December 2018	1,245,529	-	506,971	1,752,500

Note 19. Property and equipment

Property and equipment

Table 19.1

Line	Item	Land, buildings and structures	Office and computer equipment	Construction in progress	Vehicles	Other	Total
1	2	3	4	5	6	7	8
1	Cost (or measurement), 31 December 2016	3,328,103	4,335,565	50,510	35,876	901,225	8,651,279
2	Accumulated depreciation	(568,693)	(2,250,857)	-	(19,951)	(700,011)	(3,539,512)
3	Book value, 31 December 2016	2,759,410	2,084,708	50,510	15,925	201,214	5,111,767
4	Additions	-	267,701	403,353	5,786	162,231	839,071
8	Disposals	(102,292)	(17,098)	(446,410)	(775)	(1,635)	(568,210)
9	Depreciation charge	(10,589)	(998,415)	-	(5,526)	(78,112)	(1,092,642)
14	Book value, 31 December 2017	2,646,529	1,336,896	7,453	15,410	283,698	4,289,986
15	Cost (or measurement), 31 December 2017	3,225,811	4,586,167	7,453	40,887	1,061,822	8,922,140
16	Accumulated depreciation	(579,282)	(3,249,271)	-	(25,477)	(778,124)	(4,632,154)
17	Book value, 31 December 2017	2,646,529	1,336,896	7,453	15,410	283,698	4,289,986
18	Additions	-	453,006	518,209	20,166	35,833	1,027,214
22	Disposals	-	(315,335)	(478,684)	(15,937)	(16,830)	(826,786)
23	Depreciation charge	(33,418)	(578,643)	-	4,419	(68,225)	(675,867)
28	Book value, 31 December 2018	2,613,111	895,924	46,978	24,058	234,476	3,814,547
29	Cost (or measurement), 31 December 2018	3,225,811	4,723,838	46,978	45,116	1,080,825	9,122,568
30	Accumulated depreciation	(612,700)	(3,827,914)	-	(21,058)	(846,349)	(5,308,021)
31	Book value, 31 December 2018	2,613,111	895,924	46,978	24,058	234,476	3,814,547

Note 20. Other assets

Other assets

Table 20.1

Line	Item	31.12.2018	31.12.2017
1	2	3	4
4	Taxes and charges, other than income tax	6,093	416
5	With personnel	15,475	14,941
6	Social insurance	8,801	7,851
7	VAT, paid	28,292	9,250
8	With vendors and contractors	96,774	108,269
9	Inventories	13,787	13,569
13	Other	44,138	44,138
14	Impairment reserve	(44,138)	(44,138)
15	**Total**	**169,222**	**154,296**

Changes in reserve for other assets impairment

Table 20.2

Line	Item	Expenses related to execution of contracts	Investment in precious metals and coins	Investment in natural stones	Settlements with vendors and contractors	Settlements with intermediaries on securities issue servicing	Other	Total
1	2	3	4	5	6	7	8	9
1	Impairment reserve as of 31 December 2017	-	-	-	-	-	44,138	44,138
2	Payments to impairment reserve accrual (reversal)	-	-	-	-	-	-	-
3	Accounts written off as uncollectible	-	-	-	-	-	-	-
4	Other movements	-	-	-	-	-	-	-
5	Impairment reserve as of 31 December 2018	-	-	-	-	-	44,138	44,138

Note 26. Financial liabilities measured at amortised cost: accounts payable

Accounts payable

Table 26.1

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	Payables for IT services	39,996	43,279
2	Payables for rent and maintenance of premises	3,789	2,986
4	Payables to registrars	26	-
5	Trade payables, inclusive of:	7,456	3,770
7	Payables to customers	7,456	3,770
19	Other accounts payable	206,271	177,713
20	**Total**	**257,538**	**227,748**

26.1.1. Information on payable accounts by remaining maturity (based on contractual undiscounted cash flows) is presented in Note 52 thereof.

26.1.2. Estimated fair value of accounts payable along with their book value is presented in Note 56 thereof.

26.1.3 Other accounts payable include mainly paybles to vendors for equipment service, advertising placement, market-making and consulting services.

Note 29. Other liabilities

Other liabilities

Table 29.1

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	Shareholders and participants	185	146

2	Personnel	1,071,596	1,073,094
3	Social insurance	222,904	222,262
4	Accrued vocation	160,593	149,369
6	Payable on tax and charges, other than income tax	45,906	66,503
10	Other	2	7
11	**Total**	**1,501,186**	**1,511,381**

Note 30. Equity

Equity

Table 30.1

Line	Item	Outstanding ordinary shares	Par value of ordinary shares	Preferred shares	Par value of preferred shares	Adjustment for inflation	Total
1	2	3	4	5	6	7	8
1	At 31.12.2016	2,278,636,493	2,278,636	-	-	296,215	2,574,851
2	New shares issued in the previous reporting period	-	-	-	-	-	-
3	Treasury shares bought back from shareholders in the previous reporting period	(2,235,035)	(2,235)	-	-	-	(2,235)
4	Treasury shares sold in the previous reporting period	-	-	-	-	-	-
4.1	Balance at 31.12. 2017	2,276,401,458	2,276,401	-	-	296,215	2,572,616
5	At 31.12. 2017	2,276,401,458	2,276,401	-	-	296,215	2,572,616
6	New shares issued in the previous reporting period	-	-	-	-	-	-
7	Treasury shares bought back from shareholders in the reporting period	-	-	-	-	-	-
8	Treasury shares sold in the reporting period	-	-	-	-	-	-
9	At 31.12. 2018	2,276,401,458	2,276,401	-	-	296,215	2,572,616

Note 34. Interest income

Interest income

Table 34.1

Line	Item	January-December 2018	January-December 2017
1	2	3	4
1	Non-impaired financial assets, inclusive of:	16,999	336,171
5	financial assets at amortised cost: due from credit institutions and non-resident banks	12,880	333,313
6	financial assets at amortised cost: loans issued and other deposited funds	4,119	2,858
15	**Total**	**16,999**	**336,171**

Note 37. Impairment reserves for financial assets measured at amortised cost

Changes in Impairment reserves for financial assets measured at amortised cost

Table 37.1

Line	Item	Amounts due from credit institutions and non-resident banks	Loans issued and other deposited funds	Accounts receivable	Total
1	2	3	4	5	6
1	Impairment reserve as of 31.12. 2017	2	49,993	32,494	82,489
2	Payments to impairment reserve accrual (reversal)	10	(9,430)	27,397	17,977
3	Accounts written off as uncollectable	-	-	(5,413)	(5,413)
4	Other movements	-	-	-	-
5	Impairment reserve as of 31.12.2018	12	40,563	54,478	95,053

Note 39. Gains less losses (losses less gains) from foreign currency transactions

Gains less losses (losses less gains) from foreign currency transactions

Table 39.1

Line	Item	January-December 2018	January-December 2017
1	2	3	4
1	Gains less losses (losses less gains) from foreign currency purchase and sale	2,120	(1,633)
2	Gains less losses (losses less gains) from revaluation of assets denominated in foreign currency	71,738	(8,015)
3	**Total**	**73,858**	**(9,648)**

Note 41. Proceeds from services, fee & comission income

Proceeds from services, fee & comission income

Table 41.1

Line	Item	January-December 2018	January-December 2017
1	2	3	4
Section I. Proceeds and fee & commission income for organisation of trading			
1	Service fees	22,450	26,206
2	Listing fees	338,337	331,104
3	Fee & commission income for organisation of trading on the securities market	1,102,675	737,510
4	Fee & commission income for organisation of trading on the FX market	1,736,472	1,673,893
5	Fee & commission income for organisation of trading on the derivatives market	2,334,092	2,226,429
7	Total	5,334,026	4,995,142
Section VII. Other income from main business			
50	Proceeds from market maker services	15,775	20,436
51	Proceeds related to EDI services	26,924	27,387
52	Proceeds from providing access to software	1,984,029	2,096,222
53	Proceeds from information and consulting services	703,830	627,425
54	Other proceeds related to main business for additional services	2,520,664	2,469,137
55	Total	5,251,202	5,240,607
56	**TOTAL**	**10,785,228**	**10,235,749**

Note 42. Personnel expenses

Personnel expenses

Table 42.1

Line	Item	January-December 2018	January-December 2017
1	2	3	4
1	Labour payment expenses	3,086,147	2,908,993
2	Taxes and deductions on salaries and other payments to employees	599,504	556,050
4	Other long-term benefits	16,884	69,102
5	Other	261,321	257,443
6	**Total**	**3,963,856**	**3,791,588**

42.1.1. Labour payment expenses for 2018 include annual bonuses to employees of RUB 718,761 thousand (RUB 779,310 thousand in 2017) and termination benefits of RUB 16,960 thousand (RUB 17,072 thousand in 2017).

42.1.2. Taxes and deductions on salaries and other payments to employees for 2018 include statutory contributions to state non-budgetary funds in amount of RUB 599,504 thousand (RUB 556,050 thousand in 2017).

Note 43. Direct operating expenses

Direct operating expenses

Table 43.1

Line	Item	January-December 2018	January-December 2017
1	2	3	4
1	Market maker fees	504,692	514,575
2	Bonus payments	237,413	328,989
4	Depository and registrar services	627	1,295
11	Other	7,594	20,806
12	**Total**	**750,326**	**865,665**

Note 46. General and administrative expenses

General and administrative expenses

Table 46.1

Line	Item	January-December 2018	January-December 2017
1	2	3	4
1	Information and telecommunication services	67,716	87,127
2	Property & equipment depreciation	1,018,763	1,117,459
3	Software and other intangible assets amortisation	267,078	284,877
4	Lease expenses	311,247	266,874
5	Property & equipment and intangible assets transactions	1,132,650	1,127,288
6	Professional services (security, communications, etc)	67,088	37,298
7	Insurance	2,166	2,111
8	Advertising and marketing	106,726	106,872
9	Legal and advisory fees	231,963	207,425
11	Hospitality expenses	72,815	107,808
12	Transport expenses	14,080	13,128
13	Business trip expenses	52,880	46,754
14	Fines and penalties	109	685
15	Credit institutions and non-resident bank fees	3,665	3,413
16	Taxes, other than income tax	80,973	96,919
17	Other administrative expenses	343,032	313,712
18	**Total**	**3,772,951**	**3,819,750**

46.1.2. Lease expenses include operating lease expenses of RUB 311,247 thousand for 2018 (RUB 266,874 thousand for 2017).

Note 47. Other income and expenses

Table 47.1

Other income

Line	Item	January-December 2018	January-December 2017
1	2	3	4
1	Leases, other than investment property lease	60,962	64,523
3	Accounts payable written off	148	835
6	Fines and penalties, damages	-	43,644
8	Other income	209,686	363,599
9	**Total**	**270,796**	**472,601**

Other expenses

Table 47.2

Line	Item	January-December 2018	January-December 2017
1	2	3	4
2	Accounts receivable written off	4,129	626
4	Charity, sport events, leisure time activities, cultural and educational events	61,326	48,126
5	Other expenses	124,224	73,238
6	**Total**	**189,679**	**121,990**

Note 48. Income tax

Income tax expense (profit) designated as profit (loss) by components

Table 48.1

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	Current income tax expense (profit)	621,132	622,392
3	Changes in differed tax liabilities (assets)	(24,631)	(48,839)
4	Total, inclusive of:	596,501	573,553
6	income tax expense (profit)	596,501	573,553

The income tax rate applied to most income in 2018 is 20% (20% in 2017).

Theoretical income tax and actual income tax expense

Table 48.2

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	Profit (loss) before taxes)	8,944,626	22,180,444
2	Theoretical income tax expenses (earnings) at the relevant base rate (20% in 2007 and 2018)	1,788,925	4,436,089
3	Adjustment for non-taxable income or loss in accordance with national tax accounting system:	(1,192,424)	(3,862,536)
4	Non-taxable income	(1,311,446)	(3,956,334)
5	Non-taxable expenses	119,022	93,798
12	Income tax expense (profit)	596,501	573,553

48.3.3. Differences in accounting and tax laws of the Russian Federation cause certain temporary differences between book value of certain assets and liabilities for the purposes of accounting (financial) statements and income tax calculation purposes.

Tax effect from temporary differences and differed tax loss

Table 48.4

Line	Item	31.12.2017	Designated as profit or loss	Designated as other comprehensive income	31.12.2018
1	2	3	4	5	6
Section I. Tax effect from temporary differences deductible for tax purposes					
1	Intangible assets	9,404	167	-	9,571
2	Reserves for remuneration payable to employees	266,956	10,108	-	277,064
3	Accounts payable (reserve)	6,499	4,397	-	10,896
4	Impairment reserve for cash funds available on bank accounts	-	2	-	2
12	Total differed tax asset	282,859	14,674	-	297,533
14	Differed tax asset before offsetting against differed tax liabilities	282,859	14,674	-	297,533
Section II. Tax effect from temporary differences non-deductible for tax purposes					
15	Property & equipment	(424,411)	9,958	-	(414,454)
28	Total differed tax asset (liability)	(424,411)	9,958	-	(414,454)
29	Net differed tax asset (liability)	(141,552)	24,632	-	(116,921)
30	Differed tax asset (liability) recognised	(141,552)	24,632	-	(116,921)

Note 49. Dividend

Dividend

Table 49.1

Line	Item	31.12.2018		31.12.2017	
		Ordinary shares	Preferred shares	Ordinary shares	Preferred shares
1	2	3	4	5	6
1	Dividend payable, beginning of the period	-	-	-	-
2	Dividend announced during the period	12,451,916	-	23,151,003	-
3	Dividend paid during the period	12,451,916	-	23,151,003	-
4	Dividend payable, end of the period	-	-	-	-
5	DPS announced during the period	5.47	-	10	-

49.1.1. Dividends were declared and paid in Russian roubles.

49.1.2. The Russian Federation laws provide that the non-credit financial institution may pay dividend only out of its accrued retained earnings as per financial (accounting) statements according to RAS. Retained earnings of the non-credit financial institution over January-December 2018 amounted to RUB 8,348,125 thousand (RUB 21,606,891 thousand in January-December 2017).

Note 50. Earnings (loss) per share

Basic earnings (loss) per share

Table 50.1

Line	Item	Note	31.12.2018	31.12.2017
1	2	3	4	5
1	Earnings (loss) attributable to ordinary equity holders for the reporting period		8,348,125	21,606,891
2	Earnings (loss) attributable to preferred equity holders for the reporting period		-	-
3	Total earnings (loss) attributable to equity holders for the reporting period		8,348,125	21,606,891
4	Weighted average number of outstanding ordinary shares (thousand)		2,276,401	2,276,401
5	Weighted average number of outstanding preferred shares (thousand)		-	-
6	Basic earnings (loss) per ordinary share (in RUB per share)		4	9
7	Basic earnings (loss) per preferred share (in RUB per share)		-	-

Earnings (loss) attributable to ordinary and preferred equity holders for the reporting period

Table 50.2

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	Earnings (loss) attributable to equity holders for the reporting period	8,348,125	21,606,891
2	Dividend per ordinary and preferred shares	12,451,916	19,185,483
3	Retained earnings for the reporting period	8,348,125	21,606,891
4	Retained earnings (loss) attributable to preferred equity holders depending on its terms for the year	-	-
5	Dividend per preferred shares declared in the reporting period	-	-
6	Earnings (loss) attributable to preferred equity holders for the reporting period	-	-
7	Retained earnings (loss) attributable to ordinary equity holders depending on its terms for the year	8, 348,125	21,606,891
8	Dividend per ordinary shares declared in the reporting period	12,451,916	19,185,483
9	Earnings (loss) attributable to ordinary equity holders for the reporting period	8,348,125	21,606,891

Diluted earnings (loss) per ordinary share

Table 50.3

Line	Item	Note	31.12.2018	31.12.2017
1	2	3	4	5
1	Earnings (loss) attributable to ordinary equity holders		8,348,125	21,606,891
2	Interest expenses under convertible debt (less taxes)		-	-
3	Earnings (loss) used to calculate diluted earnings per share		8,348,125	21,606,891
4	Weighted average number of ordinary shares (thousand)		2,249,496	2,247,441
5	New shares from supposed conversion of convertible debt (thousand)		-	-
6	New shares from supposed conversion of options or share warrants (thousand)		6,062	9,139
7	Diluted earnings (loss) per ordinary share (in RUB, per share)		3.70	9.58

Note 51. Segment reporting

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with subsidiaries); whose operating and financial results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. As at 31 December 2017 and 31 December 2018, the Company comprised one operating segment.

Note 52. Risk management

Credit quality of financial assets measured at amortised cost: accounts receivable, 31.12.2018

Table 52.6

Line	Item	Delay in payment < 30D	Delay in payment 30D to 90D	Delay in payment 90D to 180D	Delay in payment 18D to 360D	Delay in payment >360D	Total
1	2	3	4	5	6	7	8
1	Financial assets with loss allowance measured at amount of 12-month expected credit loss, inclusive of:	8,722	-	-	-	-	8,722
2	Accounts due from customers	8,722	-	-	-	-	8,722
7	Non-credit impaired financial assets with loss allowance measured at amount of lifetime expected credit loss, where there has been a significant increase in credit risk since the initial recognition, inclusive of:	-	3,791	-	-	-	3,791
8	Accounts due from customers	-	3,791	-	-	-	3,791
25	Total	8,722	3,791	-	-	-	12,513

Credit quality of financial assets measured at amortised cost: accounts receivable, 31.12.2017

Table 52.6

Line	Item	Delay in payment < 30D	Delay in payment 30D to 90D	Delay in payment 90D to 180D	Delay in payment 18D to 360D	Delay in payment >360D	Total
1	2	3	4	5	6	7	8
1	Financial assets with loss allowance measured at amount of 12-month expected credit loss, inclusive of:	7,989	-	-	-	-	7,989
2	Accounts due from customers	7,989	-	-	-	-	7,989
7	Non-credit impaired financial assets with loss allowance measured at amount of lifetime expected credit loss, where there has been a significant increase in credit risk since the initial recognition, inclusive of:	-	4,103	-	-	-	4,103
8	Accounts due from customers	-	4,103	-	-	-	4,103
25	Total	7,989	4,103	-	-	-	12,092

Geographical analysis of financial assets and liabilities, 31.12.2018

Table 52.12

Line	Item	Russia	OECD members	Other	Total
1	2	3	4	5	6
Section I. Assets					
1	Cash funds	15,434,751	-	-	15,434,751
2	Financial assets measured at fair value through profit or loss, inclusive of:	111,292	-	-	111,292
3	financial assets mandatory classified as measured at fair value through profit or loss	111,292	-	-	111,292
8	Net assets position:	350,800	73,217	9,296	433,313
9	Amounts due from credit institutions and non-resident banks	20,097	-	-	20,097
11	Accounts receivable	330,703	73,217	9,296	413,216
14	Investments in subsidiaries	28,544,279	-	41,535	28,585,814
16	Other assets	92,151	28,773	127	121,051
17	Total assets	44,533,273	101,990	50,958	44,686,221
Section II. Liabilities					
21	Financial liabilities measured at amortised cost, inclusive of:	210,842	46,513	183	257,538
25	accounts payable	210,842	46,513	183	257,538
27	Other liabilities	1,232,375	-	-	1,232,375
28	Total liabilities	1,443,217	46,513	183	1,489,913
29	Net assets position	43,090,056	55,477	50,775	43,196,308

Geographical analysis of financial assets and liabilities, 31.12.2017

Table 52.12

Line	Item	Russia	OECD members	Other	Total
1	2	3	4	5	6
Section I. Assets					
1	Cash funds	19,267,052	-	-	19,267,052
2	Financial assets measured at fair value through profit or loss, inclusive of:	111,292	-	-	111,292
3	financial assets mandatory classified as measured at fair value through profit or loss	111,292	-	-	111,292
8	Net assets position:	327,558	60,796	4,704	393,058
9	Amounts due from credit institutions and non-resident banks	32	-	-	32
11	accounts receivable	327,526	60,796	4,704	393,026
14	Investments in subsidiaries	28,596,048	-	41,535	28,637,583
16	Other assets	113,303	6,328	11,411	131,042
17	Total assets	48,415,253	67,124	57,650	48,540,027
Section II. Liabilities					
21	Financial liabilities measured at amortised cost, inclusive of:	187,655	39,932	161	227,748
25	accounts payable	187,655	39,932	161	227,748
27	Other liabilities	1,222,616	6	-	1,222,622
28	Total liabilities	1,410,271	39,938	161	1,450,370
29	Net assets position	47,004,982	27,186	57,489	47,089,657

Financial liabilities by remaining maturity (based on contractual undiscounted cash flows), 31.12.2018

Table 52.13

Line	Item	Up to 3M	3M to 1Y	1Y to 3Y	3Y to 5Y	5Y to 15Y	>15Y	Maturity undefined	Past due	Total
1	2	3	4	5	6	7	8	9	10	11
28	Accounts payable measured at amortised cost, inclusive of:	257,538	-	-	-	-	-	-	-	257,538
29	payables for IT services	68,933	-	-	-	-	-	-	-	68,933
30	payables for rent and maintenance of premises	722	-	-	-	-	-	-	-	722
31	payables to depositories	1,803	-	-	-	-	-	-	-	1,803
40	other accounts payable	186,080	-	-	-	-	-	-	-	186,080
42	Total liabilities	257,538	-	-	-	-	-	-	-	257,538

Financial liabilities by remaining maturity (based on contractual undiscounted cash flows), 31.12.2017

Table 52.13

Line	Item	Up to 3M	3M to 1Y	1Y to 3Y	3Y to 5Y	5Y to 15Y	>15Y	Maturity undefined	Past due	Total
1	2	3	4	5	6	7	8	9	10	11
28	Accounts payable measured at amortised cost, inclusive of:	227,748	-	-	-	-	-	-	-	227,748
29	payables for IT services	45,718	-	-	-	-	-	-	-	45,718
30	payables for rent and maintenance of premises	747	-	-	-	-	-	-	-	747
31	payables to depositories	1,803	-	-	-	-	-	-	-	1,803
40	other accounts payable	179,479	-	-	-	-	-	-	-	179,479
42	Total liabilities	227,748	-	-	-	-	-	-	-	227,748

Financial assets and liabilities by remaining maturity (based on expected maturity), 31.12.208

Table 52.14

Line	Item	Up to 3M	3M to 1Y	>1Y	Total
1	2	3	4	5	6
Section I. Assets					
1	Cash funds, inclusive of:	15,434,751	-	-	15,434,751
2	cash funds available on settlement accounts	15,434,751	-	-	15,434,751
5	Debt instruments mandatory classified as financial assets measured at fair value through profit or loss, inclusive of:	-	-	-	-
17	deposits in credit institutions and non-resident banks	-	-	-	-
44	Due from credit institutions and non-resident banks measured at amortised cost, inclusive of:	97	-	20,000	20,097
49	collective clearing collateral funds (guarantee fund) deposited with clearing organisations	97	-	20,000	20,097
64	Accounts receivable measured at amortised cost, inclusive of:	413,216	-	-	413,216
65	accounts due from customers	281,087	-	-	281,087
66	settlements with currency and stock exchanges	8,783	-	-	8,783
69	other accounts receivable	123,347	-	-	123,347
71	Total assets	15,848,063	-	20,000	15,868,063
Section II. Liabilities					
99	Accounts payable measured at amortised cost, inclusive of:	257,538	-	-	257,538
100	payables for IT services	68,933	-	-	68,933
101	payables for rent and maintenance of premises	722	-	-	722
102	payables to depositories	1,803	-	-	1,803
111	other accounts payable	186,080	-	-	186,080
113	Total liabilities	257,538	-	-	257,538
114	Total liquidity gap	15,590,525	-	20,000	15,610,525

Financial assets and liabilities by remaining maturity (based on expected maturity), 31.12.2017

Table 52.14

Line	Item	<3M	3M-1Y	>1Y	Total
1	2	3	4	5	6
Section I. Assets					
1	Cash funds, inclusive of:	19,267,052	-	-	19,267,052
2	cash funds available on settlement accounts	19,267,052	-	-	19,267,052
5	Debt instruments mandatory classified as financial assets measured at fair value through profit or loss, inclusive of:	-	-	-	-
17	deposits in credit institutions and non-resident banks	-	-	-	-
44	Due from credit institutions and non-resident banks measured at amortised cost, inclusive of:	32	-	-	32
49	collective clearing collateral funds (guarantee fund) deposited with clearing organisations	32	-	-	32
64	Accounts receivable measured at amortised cost, inclusive of:	393,026	-	-	393,026
65	Accounts due from customers	227,922	-	-	227,922
66	settlements with currency and stock exchanges	3,776	-	-	3,776
69	other accounts receivable	161,329	-	-	161,329
71	Total assets	19,660,110	-	-	19,660,110
Section II. Liabilities					
99	Accounts payable measured at amortised cost, inclusive of:	227,748	-	-	227,748
100	payables for IT services	45,718	-	-	45,718
101	payables for rent and maintenance of premises	746	-	-	746
102	payables to depositories	1,804	-	-	1,804
111	other accounts payable	179,479	-	-	179,479
113	Total liabilities	227,748	-	-	227,748
114	Total liquidity gap	19,432,362	-	-	19,432,362

Financial assets and liabilities by main currencies, 31.12.2018

Table 52.15

Line	Item	RUB	USD	EUR	Other currencies	Total
1	2	3	4	5	6	7
Section I. Assets						
1	Cash funds	15,059,846	344,744	24,736	5,425	15,434,751
2	Financial assets measured at fair value through profit or loss, inclusive of:	111,292	-	-	-	111,292
3	financial assets mandatory classified as measured at fair value through profit or loss	111,292	-	-	-	111,292
8	Net assets position:	335,873	74,533	15,398	7,509	433,313
9	due from credit institutions and non-resident banks	20,097	-	-	-	20,097
11	accounts receivable	315,776	74,533	15,398	7,509	413,216
14	Investments in subsidiaries	28,585,814	-	-	-	28,585,814
16	Total assets	44,092,825	419,277	40,134	12,934	44,565,170
Section II. Liabilities						
20	Financial liabilities measured at amortised cost, inclusive of:	217,558	39,084	896	-	257,538
24	accounts payable	217,558	39,084	896	-	257,538
26	Total liabilities	217,558	39,084	896	-	257,538
27	Net assets position	43,875,267	380,193	39,238	12,934	44,307,632

Financial assets and liabilities by main currencies, 31.12.2017

Table 52.15

Line	Item	RUB	USD	EUR	Other currency	Total
1	2	3	4	5	6	7
Section I. Assets						
1	Cash funds	19,041,158	191,944	29,168	4,782	19,267,052
2	Financial assets measured at fair value through profit or loss, inclusive of:	111,292	-	-	-	111,292
3	financial assets mandatory classified as measured at fair value through profit or loss	111,292	-	-	-	111,292
8	Financial assets measured at amortised cost, inclusive of:	284,121	76,258	31,500	1,179	393,058
9	due from credit institutions and non-resident banks	32				32
11	accounts receivable	284,089	76,258	31,500	1,179	393,026
14	Investments in subsidiaries	28,637,583	-	-	-	28,637,583
16	Total assets	48,074,154	268,202	60,668	5,961	48,408,985
Section II. Liabilities						
20	Financial liabilities measured at amortised cost, inclusive of:	176,063	36,926	7,302	7,457	227,748
24	accounts payable	176,063	36,926	7,302	7,457	227,748
26	Total liabilities	176,063	36,926	7,302	7,457	227,748
27	Net assets position	47,898,091	231,276	53,366	(1,496)	48,181,237

Sensibility to market indexes Table 52.17

			31.12.2018		31.12.2017	
Line	Market index	Change	Effect on profit before tax	Effect on capital	Effect on profit before tax	Effect on capital
1	2	3	4	5	6	7
1	USD	15% for 31.12.2018; 6% for 31.12.2017	57,020	45,622	13,876	11,100
2	Euro	20% for 31.12.2018; 16% for 31.12.2017	7,847	6,277	8,535	6,830

Note 54. Contingent liabilities

Minimal future lease payments under non-cancellable operating lease (the non-credit financial institution is a lessee)

Table 54.1

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	<1Y	175,091	168,112
2	1Y to 5Y	69,842	231,322
4	Total	244,933	399,434

Minimal future lease payments under non-cancellable operating lease (the non-credit financial institution is a lessor)

Table 54.2

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	<1Y	29,505	36,050
2	1Y to 5Y	5,382	4,725
4	Total	34,887	40,775

54.3.1. In the current period of it business activity, there were claims filed against the non-credit financial institution. Based on its own assessment and recommendations from internal and external professional consultants, the non-credit financial institution believes that these proceedings will not lead to significant losses for the non-credit financial institution, and, therefore, has not formed a reserve for these proceedings in its accounting (financial) statements

54.3.5 At 31 December 2017 and 31 December 2018, the Company has the following contingent commitments that do not meet recognition criteria: RUB 5,000,000 thousand contribution to the guarantee fund of NCC under the Agreement between the Moscow Exchange and NCC.

Note 56. Fair value of financial instruments

Fair value hierarchy that repeated fair value valuations relates to, as of 31.12.2018

Table 56.1

Line	Item	Fair value by inputs level			Total fair value
		Quoted market prices (Level 1)	Valuation techniques based on observable inputs (Level 2)	Valuation techniques based on non-observable inputs (Level 3)	
1	2	3	4	5	6
1	Assets at fair value, inclusive of:	-	-	111,292	111,292
2	financial assets, inclusive of:	-	-	111,292	111,292

Line	Item	Fair value by inputs level			Total fair value
		Quoted market prices (Level 1)	Valuation techniques based on observable inputs (Level 2)	Valuation techniques based on non-observable inputs (Level 3)	
1	2	3	4	5	6
3	financial assets mandatory classified as measured at fair value through profit or loss, inclusive of:	-	-	111,292	111,292
4	Securities held for trading, inclusive of:	-	-	111,292	111,292
6	equity securities, non-credit financial institutions	-	-	180	180
7	equity securities, non-financial institutions	-	-	111,112	111,112

Levels of fair value hierarchy that repeated fair value valuations relates to, as of 31.12.2017

Table 56.1

Line	Item	Fair value by inputs level			Total fair value
		Quoted market prices (Level 1)	Valuation techniques based on observable inputs (Level 2)	Valuation techniques based on non-observable inputs (Level 3)	
1	2	3	4	5	6
1	Assets at fair value, inclusive of:	-	-	111,292	111,292
2	financial assets, inclusive of:	-	-	111,292	111,292
3	financial assets mandatory classified as measured at fair value through profit or loss, inclusive of:	-	-	111,292	111,292
4	Securities held for trading, inclusive of:	-	-	111,292	111,292
6	equity securities, non-credit financial institutions	-	-	180	180
7	equity securities, non-financial institutions	-	-	111,112	111,112

56.1.2. To determine the fair value of financial instruments that are not traded in active markets, the non-credit financial institution uses the discounted cash flows valuation method. However, IFRS states that the fair value of an instrument at the recognition date normally equals the price of transaction. If transaction price differs from the value determined at the date of financial instrument recognition using the valuation technique, depreciation for this difference is recognised on a straight-line basis over the term of the financial instrument.

Valuation techniques and inputs used in fair value measurement for level 3 in fair value hierarchy, and valuation sensitivity to possible changes in inputs, as of 31 December 2018

Table 56.3

Line	Item	Fair value	Valuation technique	Inputs used	Inputs range (weighted average)	Reasonable changes	Fair value valuation sensitivity
1	2	3	4	5	6	7	8
1	Assets at fair value, inclusive of:	111,292	-	-	-	-	-
2	Financial assets, inclusive of:	111,292	-	-	-	-	-
3	financial assets mandatory classified as measured at fair value through profit or loss, inclusive of:	111,292	-	-	-	-	-
4	Securities held for trading, inclusive of:	111,292	-	-	-	-	-
6	equity securities, non-credit financial institutions	180	Cost method	Historical value	n/a	n/a	n/a
7	equity securities, non-financial institutions	111,112	Cost method	Historical value	n/a	n/a	n/a

Valuation techniques and inputs used in fair value measurement for level 3 in fair value hierarchy, and valuation sensitivity to possible changes in inputs, as of 31 December 2017

Table 56.3

Line	Item	Fair value	Valuation technique	Inputs used	Inputs range (weighted average)	Reasonable changes	Fair value valuation sensitivity
1	2	3	4	5	6	7	8
1	Assets at fair value, inclusive of:	111,112	-	-	-	-	-
2	Financial assets, inclusive of:	111,112	-	-	-	-	-
3	financial assets mandatory classified as measured at fair value through profit or loss, inclusive of:	111,112	-	-	-	-	-
4	Securities held for trading, inclusive of:	111,112	-	-	-	-	-
6	equity securities, non-credit financial institutions	180	Cost method	Historical value	n/a	n/a	n/a
7	equity securities, non-financial institutions	111,112	Cost method	Historical value	n/a	n/a	n/a

Table 56.4

Line	Item	Equity securities at fair value through profit or loss	Equity securities at fair value through other comprehensive income	Derivative assets	Derivative liabilities	Debt securities at fair value through profit or loss	Debt securities at fair value through other comprehensive income	Other	Total
1	2	3	4	5	6	7	8	9	10
1	Fair value, 1 January 2018	111,292	-	-	-	-	-	-	111,292
2	Income or expenses designated as profit or loss per year	-	-	-	-	-	-	-	-
3	Income or expenses designated as other comprehensive income	-	-	-	-	-	-	-	-
4	Purchase	-	-	-	-	-	-	-	-
5	Emission or issuance	-	-	-	-	-	-	-	-
6	Sale	-	-	-	-	-	-	-	-
7	Settlements	-	-	-	-	-	-	-	-
8	Transfers from level 3	-	-	-	-	-	-	-	-
9	Transfers to level 3	-	-	-	-	-	-	-	-
10	Fair value, 31 December 2018	111,292	-	-	-	-	-	-	111,292
11	Unrealised gains less expenses from revaluation designates as profit or loss per year, for assets held as of 31 December 2018	-	-	-	-	-	-	-	-

Fair value by fair value hierarchy levels, book value of financial assets and liabilities not measured at fair value, 31 December 2018

Table 56.6

Line	Item	Fair value by inputs lelvel			Total fair value	Book value
		Quoted market prices (Level 1)	Valuation techniques based on observable inputs (Level 2)	Valuation techniques based on inputs that include substantial part of observable data (Level 3)		
1	2	3	4	5	6	7
1	Financial assets not at fair value, inclusive of:	-	15,868,064	28,585,814	44,453,878	44,453,878
2	cash funds, inclusive of:	-	15,434,751	-	15,434,751	15,434,751
5	cash funds available on settlement accounts	-	15,434,751	-	15,434,751	15,434,751
8	financial assets measured at amortised cost, inclusive of:	-	433,313	-	433,313	433,313
9	Amounts due from credit institutions and non-resident banks, inclusive of:	-	20,097	-	20,097	20,097
14	collective clearing collateral funds (guarantee fund) deposited with clearing organisations	-	20,000	-	20,000	20,000
20	Other		97		97	97
29	accounts receivable, inclusive of:	-	413,216	-	413,216	413,216
31	Accounts due from customers	-	281,087	-	281,087	281,087
32	settlements with currency and stock exchanges	-	8,783	-	8,783	8,783
35	other accounts receivable	-	123,347	-	123,347	123,347
38	investment in subsidiaries	-	-	28,585,814	28,585,814	28,585,814
55	Accounts payable, inclusive of:	-	257,538	-	257,538	257,538
56	payables for IT services	-	68,934	-	68,934	68,934
57	payables for rent and maintenance of premises	-	722	-	722	722
58	payables to depositories	-	1,803	-	1,803	1,803
67	other accounts payable	-	186,080	-	186,080	186,080

Fair value by fair value hierarchy levels, book value of financial assets and liabilities not measured at fair value, 31 December 2017

Table 56.6

Line	Item	Fair value by inputs lelvel			Total fair value	Book value
		Quoted market prices (Level 1)	Valuation techniques based on observable inputs (Level 2)	Valuation techniques based on inputs that include substantial part of observable data (Level 3)		
1	2	3	4	5	6	7
1	Financial assets not at fair value, inclusive of:	-	19,660,077	28,637,583	48,297,661	48,297,661
2	cash funds, inclusive of:	-	19,267,052	-	19,267,052	19,267,052
5	cash funds availabe on settlement accounts	-	19,267,052	-	19,267,052	19,267,052
8	financial assets measured at amortised cost, inclusive of:	-	393,026	-	393,026	393,026
9	Amounts due from credit institutions and non-resident banks, inclusive of:		32		32	32
20	other		32		32	32
29	accounts receivable, inclusive of:	-	393,026	-	393,026	393,026
31	accounts due from customers	-	227,922	-	227,922	227,922
32	settlements with currency and stock exchanges	-	3,776	-	3,776	3,776
35	other accounts receivable	-	161,329	-	161,329	161,329
38	investment in subsidiaries	-	-	28,637,583	28,637,583	28,637,583
55	Accounts payable, inclusive of:	-	227,748	-	227,748	227,748
56	payables for IT services	-	45,718	-	45,718	45,718
57	payables for rent and maintenance of premises	-	747	-	747	747
58	payables to depositories	-	1,804	-	1,804	1,804
67	other accounts payable	-	179,479	-	179,479	179,479

Note 58. Related party transactions

Related party transactions balance, 31 December 2018

Table 58.1

Line	Item	Parent company	Subsidiaries	Jointly controlled entities	Associated companies	Key management personnel	Companies under common control	Other related parties	Total
1	2	3	4	5	6	7	8	9	10
1	Cash funds	-	14,873,571	-	-	-	-	46,540	14,920,111
8	Financial assets measured at amortised cost, inclusive of:	-	40,360	-	-	-	-	79,665	120,025
11	accounts receivable	-	40,360	-	-	-	-	79,665	120,025
14	Investments in subsidiaries	-	28,585,814	-	-	-	-	-	28,585,814
19	Other assets	-	6	-	-	-	-	348	354
23	Financial liabilities measured at amortised cost, inclusive of:	-	33,337	-	-	-	-	16,997	50,334
27	accounts payable	-	33,337	-	-	-	-	16,997	50,334
29	Other liabilities	-	-	-	-	464,016	-	71	464,087

Related party transactions balance, 31 December 2017

Table 58.1

Line	Item	Parent company	Subsidiaries	Jointly controlled entities	Associated companies	Key management personnel	Companies under common control	Other related parties	Total
1	2	3	4	5	6	7	8	9	10
1	Cash funds	-	18,904,102	-	-	-	-	15,186	18,919,288
8	Net assets position:	-	36,030	-	-	-	-	55,395	91,425
11	accounts receivable	-	36,030	-	-	-	-	55,395	91,425
14	Investments in subsidiaries	-	28,637,583	-	-	-	-	-	28,637,583
19	Other assets	-	-	-	-	-	-	11	11
23	Financial liabilities measured at amortised cost, inclusive of:	-	15,570	-	-	-	-	28,509	44,079
27	Accounts payable	-	15,570	-	-	-	-	28,509	44,079
29	Other liabilities	-	-	-	-	437,310	-	55	437,365

58.1.3. Amount of guarantees issued for related parties is RUB 5,000,000 ths. as of 31 December, 2018 (RUB 5,000,000 ths. as of 31 December, 2017).

Income and expenses under related party transactions, January-December 2018

Table 58.2

Line	Item	Parent company	Subsidiaries	Jointly controlled entities	Associated companies	Key management personnel	Companies under common control	Other related parties	Total
1	2	3	4	5	6	7	8	9	10
1	Tarde and investment income, inclusive of:	-	6,493,485	-	-	-	-	3,553	6,497,038
4	interest income	-	4,119	-	-	-	-	385	4,504
5	dividend and gains less losses (losses less gains) from shareholdings	-	6,489,366	-	-	-	-	3,168	6,492,534
15	Revenue from services, fee & commission income	-	5,245	-	-	-	-	3,312,908	3,318,154
16	Personnel expenses	-	-	-	-	(782,511)	-	-	(782,511)
17	Direct operating expenses	-	(31,900)	-	-	-	-	(150,622)	(182,522)
22	Other income	-	225,360	-	-	-	-	33,391	258,751
23	Other expenses	-	-	-	-	-	-	(290)	(290)

Income and expenses under related party transactions, January-December 2018

Table 58.2

Line	Item	Parent company	Subsidiaries	Jointly controlled entities	Associated companies	Key management personnel	Companies under common control	Other related parties	Total
1	2	3	4	5	6	7	8	9	10
1	Tarde and investment income, inclusive of:	-	20,126,391	-	-	-	-	357	20,126,748
4	interest income	-	319,465	-	-	-	-	357	319,822
5	dividend and gains less losses (losses less gains) from shareholdings	-	19,806,926	-	-	-	-	-	19,806,926
15	Revenue from services, fee & commission income	-	2,678,670	-	-	-	-	3,539,554	6,218,224
16	Personnel expenses	-	-	-	-	(736,436)	-		(736,436)
17	Direct operating expenses	-	(81,822)	-	-	-	-	(323,356)	(405,178)
22	Other income	-	1,031	-	-	-	-	-	1,031
23	Other expenses	-	(1,561)	-	-	-	-	(1,216)	(2,777)

58.1.1. In the ordinary course of business the Company exercises transactions with its key shareholders, key management and subsidiaries. Such transactions include operating leases and technical maintenance and are executed primarily at market rates.

As of 31 December 31 2018 the Russian Federation exercises significant influence over Moscow Exchange.

In the ordinary course of business, the Group provides trading, clearing and depository services to government-related entities, places funds with government-related banks and buys bonds issued by the Russian Federation and government-related entities. Substantial balance and financial results under transactions with government-related entities include:

- Cash funds in amount of RUB 46,540 thousand as of 31.12.2018 (RUB 15,186 thousand as of 31.12.2017);
- Other assets: RUB 118,856 thousand as of 31.12.2018 (RUB 43,200 thousand as of 31.12.2017);
- Fee & commission income: RUB 3,296,174 thousand as of 31.12.2018 (RUB 2,016,948 thousand as of 31.12.2017);
- Interest and other financial income: RUB 33,391 thousand as of 31.12.2018 (RUB 8,509 thousand as of 31.12.2017);
- General & administrative expenses: RUB 150,913 thousand (RUB 125,234 thousand as of 31.12.2017);

Remuneration payable to key management personnel

Table 58.3

Line	Item	31.12.2018	31.12.2017
1	2	3	4
1	Short-term benefits	567,923	515,269
2	Pension obligations	-	-
3	Long-term benefits	-	-
4	Termination benefits	-	-
5	Share-based payments	214,588	221,167

Note 59. Events after the reporting date

As at July 20, 2019 the new capital adequacy requirements for stock exchanges come into force in accordance with 4824-U "About the scale and methodology of stock exchange's capital adequacy ratio calculation". The ratio is to be calculated as the relation of difference of own funds, stock exchange's investments and its off-balance sheet liabilities to the quarterly amount of operational expenses, and its minimal required value is 100%. According to the preliminary assessment the Group is in compliance with the new capital adequacy requirements.

In January 2019 the Group acquired 3.37% share in Kazakhstan Stock Exchange (KASE). As at 10 October 2018, the Group and KASE signed a strategic partnership agreement. Under the agreement, the Group is to acquire up to 20% share capital of KASE. The main aims of the partnership between the exchanges are: facilitation of mutual access to both countries markets for professional market participants and investors, delivering the Group's trading and clearing IT solutions to enhance infrastructure reliability and improve efficiency of KASE's markets and establishing the CCP, support KASE to hold an IPO.

In the first quarter 2019 the Group's management promptly detected several incorrectly processed administrative payments not connected with the Group's trading and clearing activities. Management immediately introduced a set of necessary measured to resolve the situation and improved control procedures to avoid similar mistakes in the future.

CEO		Alexander Afanasiev
(title)	(signature)	(name)
Chief accountant		Olga Melentieva
(title)	(signature)	(name)

19 March 2019